Annexure-VIII

ASHOK KUMAR MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Dhanuka Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dhanuka Laboratories Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2024**, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 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 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 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.

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- 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.

We communicate with those charge 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.

Report on other Legal and Regulatory Requirements

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

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 and the Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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.

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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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position. **Refer note 40** to the financial statement.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material mis-statement.

v. The company has neither declared nor paid dividend during the year.

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vi. The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 04th September, 2024
UDIN: 24082258BKFAIR2449

Annexure A to the Independent Auditor's report on the standalone financial statements of Dhanuka Laboratories Limited for the year ended March 31, 2024
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Matters to be included in auditor's report. - The auditor's report on the accounts of a company to which this Order applies shall include a statement on the following matters, namely: -

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the Company does not hold any intangible assets, reporting under clause 3(i)(a)(B) of the Order is not applicable.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a program of verification, which in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals.

According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) Based on our examination of the lease agreement for land on which building is constructed, registered sale deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment and right of use asset, are held in the name of the Company as at balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment during the financial year ended March, 31^{st} 2024, Accordingly, paragraph 3(i)(d) of the order is not applicable.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder Accordingly, paragraph 3(i)(e) of the order is not applicable.

(ii) (a) The inventories were physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories applicable, when compared with books of accounts.

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

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(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has granted loans or advances in the nature of loans to a company.

(a) The Company has provided loans to a company amounting Rs. 1500.00 Lakhs during the year.

Particulars	Loans in Lakhs
Aggergate amount provided during the year	
- Others	15.00
Balance outstanding as at balance sheet date in respect of above	
- Others	15.00

(b) In our opinion, and according to the information and explanations given to us, terms and conditions of the grant of all loans are prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loans or advances in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans / advances in nature of loans that existed as at the beginning of the year.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Act in respect of loans and investments made and guarantees provided by it, as applicable.

(v) The Company has not accepted any deposit or amount which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employee state Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

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There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except for following:

Name of the Statute	Nature of the Dues	Amount (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	46.79	F.Y. 2016-17 (A.Y. 2017-18)	Income Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	14.64	F.Y. 2014-15	Customs Excise and Service Tax Appellate Tribunal

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(x) (a) In our opinion and according to the information and explanations given to us, no moneys have been raised by way of debt instruments during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of (fully or partly or optionally) shares during the year and hence, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit however the company has incurred cash loss amounting to Rs. 1013.62 Lakhs in immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Ashok Kumar Malhotra & Associates Chartered Accountants * NOIDA *

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 04th September, 2024
UDIN: 24082258BKFAIR2449

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 **Dhanuka Laboratories Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 of the 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 controls 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

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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 (3) 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra & Associates * Chartered Accountants * NOIDA *

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 04th September, 2024
UDIN: 24082258BKFAIR2449

Dhanuka Laboratories Limited

Linbuzz Business Centre, 2910B 14Th Main Road Anna Nagar West Chennai Chennai TN 600040

CIN : U24100TN1993PLC149053

Standalone Balance Sheet as at March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	7,835.62	8,182.49
(b) Financial Assets			
(I) Investments	5	22,246.53	21,019.09
(II) Other Financial Assets	6	320.45	337.20
Total Non-Current Assets		**30,402.60**	**29,538.78**
Current Assets			
(a) Inventories	7	16,132.25	14,221.80
(b) Financial Assets			
(i) Trade Receivables	8	14,558.44	8,903.50
(ii) Cash and Cash Equivalents	9	23.22	14.00
(iii) Bank Balances other than above	10	17.91	14.66
(iv) Other Financial Assets	11	0.23	0.17
(c) Current Tax Assets (net)	12	1,047.67	-
(d) Other Current Assets	13	2,614.21	2,428.17
Total Current Assets		**34,393.93**	**25,582.30**
Total Assets		**64,796.53**	**55,121.08**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,384.66	1,384.66
(b) Other Equity	15	33,246.11	25,658.53
Total Equity		**34,630.77**	**27,043.19**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,531.64	41.91
(b) Provisions	17	121.37	116.44
(c) Deferred Tax Liability (Net)	18	968.54	1,025.82
Total Non-Current Liabilities		**2,621.55**	**1,184.17**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	10,845.96	14,837.08
(ii) Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		462.48	595.78
(b) Total outstanding dues to creditors other than micro and small enterprises		14,185.25	10,988.29
(b) Short Term Provisions	21	1,661.33	33.40
(c) Other Current Liabilities	22	389.19	439.17
Total Current Liabilities		**27,544.21**	**26,893.72**
Total Liabilities		**30,165.76**	**28,077.89**
Total Equity and Liabilities		**64,796.53**	**55,121.08**

The accompanying notes **1-47** form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Noida
Date : 04.09.2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 04.09.2024
Place : Gurugram

Arjun Dhanuka
Director
DIN: 00454689
Date : 04.09.2024
Place : Gurugram

CA Pramod Kumar Singh
CFO
M.No. 516290
Date : 04.09.2024
Place : Gurugram

CS Preeti
Company Secretary
M.No. A73349
Date : 04.09.2024
Place : Gurugram

Dhanuka Laboratories Limited

Linbuzz Business Centre, 2910B 14Th Main Road Anna Nagar West Chennai Chennai TN 600040
CIN : U24100TN1993PLC149053

Statement of Standalone Profit and Loss for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Income			
Revenue From Operations	23	58,834.68	44,733.94
Other Income	24	7,677.81	128.73
Total Income		**66,512.49**	**44,862.67**
(B) Expenses			
Cost of Materials Consumed	25	47,542.62	35,262.18
Changes in Inventories of Finished Goods and Work in Progress	26	(2,615.15)	(965.23)
Employee Benefits Expense	27	2,068.91	1,938.95
Finance Costs	28	1,295.71	1,428.93
Depreciation and Amortisation Expense	29	731.03	719.08
Other Expenses	30	8,336.82	8,211.46
Total Expenses		**57,359.94**	**46,595.37**
(C) Profit/ (Loss) Before Exceptional Items and Tax		**9,152.55**	**(1,732.70)**
Exceptional Items		-	
Exceptional Items - Income / (Expenses)	31	-	-
(D) Profit/ (Loss) Before Tax From Continuing Operations		9,152.55	(1,732.70)
Income Tax Expense	32		
Current Tax		1,622.19	-
Current Tax in respect of earlier year		-	(69.35)
Deferred Tax Charge/ (Credit)		(57.28)	(62.55)
(E) Profit/ (Loss) For The Year from Continuing Operations		**7,587.64**	**(1,600.80)**
(F) Profit/ (Loss) from Discontinued Operations		-	-
(G) Tax Expenses of Discontinued Operations		-	-
(H) Profit/ (Loss) from Discontinued Operations (after tax) [(F)-(G)]		-	-
(I) Profit/ (Loss) For The Year [(E)+(H)]		**7,587.64**	**(1,600.80)**
(J) Other comprehensive income		-	-
Total comprehensive Income/ (Loss) for the year		**7,587.64**	**(1,600.80)**
Earnings per share (for discontinued & continuing operation)	33		
Basic earnings per share in INR		547.97	(115.61)
Diluted earnings per share in INR		547.97	(115.61)

The accompanying notes 1-47 form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Noida
Date : 04.09.2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 04.09.2024
Place : Gurugram

Arjun Dhanuka
Director
DIN: 00454689
Date : 04.09.2024
Place : Gurugram

CA Pramod Kumar Singh
CFO
M.No. 516290
Date : 04.09.2024
Place : Gurugram

CS Preeti
Company Secretary
M.No. A73349
Date : 04.09.2024
Place : Gurugram

Dhanuka Laboratories Limited

Linbuzz Business Centre, 2910B 14Th Main Road Anna Nagar West Chennai Chennai TN 600040
CIN : U24100TN1993PLC149053

Statement of Standalone cash flows for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit/ loss before income tax	9,152.50	(1,732.68)
Adjustments for		
Depreciation and amortisation expense	731.03	719.08
(Profit)/ loss on sale of fixed assets	9.10	326.69
(Profit)/ loss on sale of Investments	(7,157.44)	
Share of Loss from Partnership firm	982.79	1,309.59
Finance costs	1,295.71	1,428.93
Dividend Income	(0.01)	(0.06)
Interest income	(120.83)	(7.27)
	4,892.85	**2,044.27**
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	16.69	(49.68)
(Increase)/ decrease in inventories	(1,910.45)	(1,479.04)
(Increase)/ decrease in trade receivables	(5,654.94)	2,900.77
(Increase)/ decrease in Other assets	(186.05)	767.31
Increase/ (decrease) in provisions and other liabilities	19.07	(709.47)
Increase/ (decrease) in trade payables	3,063.66	5.41
Cash generated from operations	**240.83**	**3,479.56**
Less : Income taxes paid (net of refunds)	(1,047.67)	70.69
Net cash from operating activities (A)	**(806.84)**	**3,550.25**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(429.04)	(764.64)
Sale proceeds of PPE	35.77	2,788.23
Sale proceeds from Investments	7,287.44	-
Proceeds (Withdrawals) in Partnership Firm Investments	(840.22)	1,021.47
(Investments in)/ Maturity of fixed deposits with banks	(3.25)	(14.66)
(Investments in)/ Maturity of unsecured loan given	(1,500.00)	-
Dividend received	0.01	0.06
Interest received	120.83	7.27
Net cash used in investing activities (B)	**4,671.54**	**3,037.73**
Cash Flows From Financing Activities		
Proceeds from Borrowings	(456.34)	2,250.00
Repayment of Borrowings	(2,045.07)	(7,572.61)
Finance costs	(1,354.10)	(1,513.37)
Net cash from/ (used in) financing activities (C)	**(3,855.51)**	**(6,835.98)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**9.21**	**(248.00)**
Cash and cash equivalents at the beginning of the financial year	**14.01**	**262.00**
Cash and cash equivalents at end of the year	**23.22**	**14.00**
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	12.08	1.87
- in fixed deposit with original maturity of less than 3 months	5.64	5.27
Cash on hand	5.50	6.86
Cash and cash equivalents at end of the year	**23.22**	**14.00**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Noida
Date : 04.09.2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 04.09.2024
Place : Gurugram

Arjun Dhanuka
Director
DIN: 00454689
Date : 04.09.2024
Place : Gurugram

DHANUKA LABORATORIES LTD.

CA Pramod Kumar Singh
CFO
M.No. 516290
Date : 04.09.2024
Place : Gurugram

Preeti
CS Preeti
Company Secretary
M.No. A73349
Date : 04.09.2024
Place : Gurugram

Dhanuka Laboratories Limited

Statement of Changes in Equity for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

(A) Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66

(B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31, 2022	5,120.69	367.84	195.05	-	21,575.73	27,259.31
Total Comprehensive Income for the year	-	-	-	-	(1,600.78)	(1,600.78)
Changes due to prior period errors	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	-
Balance as at March 31, 2023	5,120.69	367.84	195.05	-	19,974.95	25,658.53
Total Comprehensive Income for the year	-	-	-	-	7,587.64	7,587.64
Changes due to prior period errors	-	-	-	-	-	-
Additions/ (deductions) during the year	-	-	-	-	-	-
Balance as at March 31, 2024	5,120.69	367.84	195.05	-	27,562.59	33,246.17

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Noida
Date : 04.09.2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
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Company Secretary
M.No. A73349
Date : 04.09.2024
Place : Gurugram

1. Corporate Information

Dhanuka Laboratories Limited ("the Company") is a public company domiciled in india and incorporated on February 24th, 1993 under the provisions of the Companies Act applicable in India. The registered office of the company is located at New Delhi and is one of the leading pharmaceutical companies in India head quartered in Delhi and involved in the manufacture and marketing of diverse bulk actives and formulations of various drugs.

Basis of preparation of financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on **September 04, 2024.**

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

(i) Certain financial assets and liabilities that is measured at fair value;

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

(iii) Defined benefit plans - plan assets measured at fair value.

(c) Functional Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

(d) Current or Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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Pramod Preeti

DHANUKA LABORATORIES LTD.

(e) Use of Judgments and estimates

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Intangible Assets, Recognition of deferred tax, and the recognition of provisions, including those for litigation and impairment, employee benefits and sales deductions.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

2. Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:-

(a) Property, plant and equipment

I. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized 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 all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Ashok Kumar Malhotra & Associates
Chartered Accountants
NOIDA

Pramod Preeti

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method (SLM) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

Building including factory building:	30 years
General plant and machinery:	20 years
Furniture and Fittings:	10 years
Vehicles:	08 years
Computers and data processing units:	03 years
Electrical Equipment's:	10 years
Office Equipment:	05 years
Laboratory Equipment:	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

(b) Intangible assets

I. Recognition and measurement

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method. It is amortized from the point at which the asset is available for use.

.Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

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Preeti

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

(c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

(d) Financial instruments

I. Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

DHANUKA LABORATORIES LTD.

II. Subsequent measurement

(A) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(B) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

(C) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

(D) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

(E) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

III. Impairment of financial assets

The company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve-month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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Mahul Agarwal Pramod Preeti

DHANUKA LABORATORIES LTD.

IV. Derecognition

(i) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

(ii) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial Liabilities

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. If the company reclassifies financial assets, it applies 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 recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(e) Fair Value measurement

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, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Pramod Preeti

DHANUKA LABORATORIES LTD

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Level 1-This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(f) Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable 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.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exists, then write down is reversed through statement of profit and loss account.

(g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Pramod Preeti

DHANUKA LABORATORIES LTD.

specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(h) Revenue Recognition

I. Sale of goods
Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the company. The amount of revenue and associated costs can be measured reliably. Amounts disclosed as revenue are net of GST, sale returns, trade discounts and volume rebates.

Incentives on exports are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

II. Sale of Services
Revenue from sale of services is recognized as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

III. Interest Income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

IV. Dividends
Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

(i) Employee Benefits

I. Short Term Employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Ashok Kumar Malhotra & Associates Chartered Accountants * NOIDA *

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II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

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DHANUKA LABORATORIES LTD.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

(j) Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

(k) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(l) Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and
b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

(i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities, and
(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

(m) Operating Segment
An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

(n) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Statement of cash flows
Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

(p) Lease
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 fulfillment 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.

(q) Finance Lease
Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the 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 a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. 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

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lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(r) Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(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.

(t) Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of profit and Loss.

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DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets									
	Freehold Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Computers	Electrical Equipments	Office Equipment	Laboratory Equipment	Total
Cost as at March 31, 2022	613.64	3,605.69	11,304.80	123.11	215.62	138.05	661.73	54.56	518.17	17,235.37
Additions	-	68.87	653.83	4.59	14.33	2.29	15.53	-	5.21	764.65
Disposals	(543.77)	(2,820.22)	(223.09)	-	-	-	-	-	(2.53)	(3,589.61)
Cost as at March 31, 2023	69.87	854.34	11,735.54	127.70	229.95	140.34	677.26	54.56	520.85	14,410.41
Additions	-	3.17	378.13	1.70	-	15.65	15.43	5.28	9.68	429.04
Disposals	-	-	(77.77)	-	(6.14)	-	-	-	-	(83.91)
Cost as at March 31, 2024	69.87	857.51	12,035.90	129.40	223.81	155.99	692.69	59.84	530.53	14,755.54
Depreciation/ Amortisation										
As at March 31, 2022	-	777.71	4,292.21	70.45	75.00	107.22	324.70	44.07	292.17	5,983.53
Depreciation for the year	-	32.05	547.94	9.51	24.81	7.21	55.11	1.47	40.98	719.08
Disposals	-	(405.89)	(68.68)	-	-	-	-	-	(0.11)	(474.68)
As at March 31, 2023	-	403.87	4,771.47	79.96	99.81	114.43	379.81	45.54	333.04	6,227.93
Depreciation for the year	-	28.61	566.22	8.71	23.70	6.18	56.45	1.54	39.62	731.03
Disposals	-	-	(33.21)	-	(5.83)	-	-	-	-	(39.04)
As at March 31, 2024	-	432.48	5,304.48	88.67	117.68	120.61	436.26	47.08	372.66	6,919.92
Net Carrying Value										
As at March 31, 2022	613.64	2,827.98	7,012.59	52.66	140.62	30.83	337.03	10.49	226.00	11,251.84
As at March 31, 2023	69.87	450.47	6,964.07	47.74	130.14	25.91	297.45	9.02	187.81	8,182.48
As at March 31, 2024	69.87	425.03	6,731.42	40.73	106.13	35.38	256.43	12.76	157.87	7,835.62

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 Refer note 43 for information on movable assets which are pledged as security by the company to banks

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
5	**Non-current investments**		
	(I) Investment in Equity Instruments		
	(a) Quoted- At Amortised Cost (Subsidiary Company)		
	354,19,957 equity shares (previous year, 367,19,957) of Rs.10 each in Orchid Pharma Limited, fully paid up	3,542.00	3,672.00
	(b) Unquoted- At Amortised Cost		
	50 equity shares (previous year 50) of Rs. 10 each in Saraswat Co-operative Bank, fully paid up	0.01	0.01
	(c) Unquoted- At Amortised Cost		
	1,000 equity shares (previous year 1,000) of Rs. 10 each in Otsuka Chemical (India) Private Limited, fully paid up	1.60	1.60
	(II) Investment in debentures		
	(a) Unquoted- At Cost		
	1,43,000 Optionally Convertible Debentures (Quasi Equity) (previous year 1,43,000) of Rs.100,000 each in Orchid Pharma Limited, fully paid up	14,300.00	14,300.00
	(III) Investments in Partnership Firms at Cost		
	(a) Synmedic Laboratories	2,902.91	3,045.48
	98% of Capital is held with Dhanuka Laboratories Ltd , 1% held with Manish Dhanuka, 1% held with Harsh Dhanuka		
	(III) Investment in Debt Instruments		
	(a) Measured at Amortised Cost		
	Inter corporate Loan given to Tirthankar Dealers & Agents Private Limited @ 12% p.a. for 2 years	1,500.00	-
		22,246.52	**21,019.09**
	Total non-current investments		
	(A) Aggregate value of quoted investments	3,542.00	3,672.00
	(B) Aggregate market value of quoted investments	3,70,085.42	1,40,729.24
	(C) Aggregate value of unquoted investments	17,204.52	17,347.09
6	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Deposits with Government Authorities	7.44	7.44
	Other Deposits	313.01	329.76
		320.45	**337.20**
	Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.		

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Harsh Dhanuka

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Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Inventories**		
	Raw Materials	4,449.01	5,144.95
	Intermediates & Work-in-progress	11,629.19	9,014.04
	Stores and Spare parts	10.83	62.81
	Chemicals and Consumables	43.22	-
		16,132.25	**14,221.80**
	Note:		
	(a) The mode of valuation of inventories has been stated in note no 2(f)		
	(b) Refer note 43 for information on Inventories pledged as security by the company to banks		
	(c) The Company has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.		
8	**Trade Receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured*	14,558.44	8,903.50
		14,558.44	8,903.50
	Less: Provision for Bad Debts	-	-
		14,558.44	**8,903.50**
	Note:		
	(a) Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 45 relating to amounts receivable from related parties.		
	(b) *Of the above, trade receivable from related parties are given below.		
	Unsecured, considered good	**625.50**	**459.24**
	(c) Refer note 43 for information on Trade Receivable pledged as security by the company to banks		
	(d) Refer Note 47(a) for information about aging schedule of trade receivables		
9	**Cash and cash equivalents**		
	Cash on hand	5.50	6.86
	Balances with banks		
	In current accounts	12.08	1.87
	Term Deposits		
	In fixed deposit (with original maturity less than 3 months)	5.64	5.27
		23.22	**14.00**
10	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	17.91	14.66
		17.91	**14.66**
11	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	0.23	0.17
		0.23	**0.17**
12	**Current tax assets**		
	Advance income tax (net of provision for tax)	1,047.67	-
		1,047.67	**-**

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DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
13	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	282.87	153.61
	Prepaid expenses	35.59	35.83
	Advance Licence Benefit	27.39	531.24
	Balances with Statutory Authorities	2,248.54	1,692.34
	Employees Advances	19.06	14.39
	Others amounts receivable	0.76	0.76
		2,614.21	**2,428.17**
14	**Equity Share Capital**		
	Authorised Share Capital		
	14,50,000 Equity Shares of 100.00 each, (Previous year 14,50,000 Equity Shares of Rs. 100.00 each)	1,450.00	1,450.00
		1,450.00	**1,450.00**
	Issued Share Capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
	Subscribed and fully paid up share capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	13,84,660	13,84,660
	Add: Issued during the year	-	-
	Less : Shares cancelled (Buyback)	-	-
	Balance at the end of the year	**13,84,660**	**13,84,660**
(b)	**Shareholders holding more than 5% of the total share capital**		

Name of the share holders	As at March 31, 2024		As at March 31, 2023	
	%	No of shares	%	No of shares
Triveni Trust	43.82	6,06,730.00	43.82	6,06,730.00
Pushpa Dhanuka Trust	13.00	1,79,970.00	13.00	1,79,970.00
Mr. Manish Dhanuka	14.70	2,03,495.00	14.70	2,03,495.00
Mrs. Mamta Dhanuka	6.99	96,801.00	3.55	49,190.00
Mr. Arjun Dhanuka	6.47	89,624.00	3.03	42,013.00

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

(c) **Terms/Rights attached to Issued Equity Shares**

The company has only one class of equity shares having a par value of Rs.100 each. The equity shares of the company having par value of Rs.100/- rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, the distribution will be in proportion to the number of Equity Shares held by the shareholders.

(d) **Shares held by holding, subsidiary and associate companies**

There are no shares held by subsidiaries and associates in the Company.

(e) **Shares held by promoters at the end of the year**

Name of the share holders	As at March 31, 2024		
	No of shares	%	% of Change
Mrs. Uma Dhanuka	58,500.00	4.22	-
Mr. Ram Gopal Agarwal	100.00	0.01	-
Ram Gopal Agarwal HUF	100.00	0.01	-
Mr. Harsh Dhanuka	100.00	0.01	-
Mr. Rahul Dhanuka	100.00	0.01	-
Mrs. Urmila Dhanuka	100.00	0.01	-
Mahendra Kumar Dhanuka HUF	4,400.00	0.32	-
Mridul Dhanuka HUF	10,000.00	0.72	-
Mr. Mahendra Kumar Dhanuka	100.00	0.01	-
Mr. Mridul Dhanuka	100.00	0.01	-
Rahul Dhanuka HUF	2,000.00	0.14	-
Harsh Dhanuka HUF	10,000.00	0.72	-
Triveni Trust	6,06,730.00	43.82	-
Mrs. Seema Dhanuka	6,829.00	0.49	-
Mrs. Pushpa Dhanuka	57,510.00	4.15	-
Pushpa Dhanuka Trust	1,79,970.00	13.00	-
Arun Kumar Dhanuka HUF	1,000.00	0.07	-
Manish Dhanuka HUF	6,401.00	0.46	-
Mrs. Mamta Dhanuka	96,801.00	6.99	-
Mr. Arjun Dhanuka	89,624.00	6.47	-
Mr. Manish Dhanuka	2,03,495.00	14.70	-
Mrs. Megha Chiripal	20,000.00	1.44	
Mrs. Varsha Goel	20,000.00	1.44	-
Mr. Manas Dhanuka	10,700.00	0.77	-

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
15	**Other Equity**		
	Securities Premium	5,120.69	5,120.69
	Capital Redemption Reserve	195.05	195.05
	General Reserve	367.84	367.84
	Profit and Loss Account	27,562.53	19,974.95
		33,246.11	**25,658.53**
	a) Securities Premium		
	Balance at the beginning and end of the year	**5,120.69**	**5,120.69**
	b) Capital Redemption Reserve		
	Balance at the beginning and end of the year	**195.05**	**195.05**
	c) General Reserve		
	Balance at the beginning and end of the year	**367.84**	**367.84**
	d) Profit and Loss Account		
	Balance at the beginning of the year	19,974.95	21,575.73
	Net profit for the period	7,587.58	(1,600.78)
	Balance at the end of the year	**27,562.53**	**19,974.95**

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DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
16	**Long Term Borrowings - at amortised cost**		
	Secured *		
	From Banks	7.27	-
	From Related Parties	1,500.00	
	From NBFC	26.29	41.91
	Less: Current maturities of Long Term Debt (refer note 19)	(1.92)	-
		1,531.64	**41.91**
	Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
	Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.		
	* Refer Note 43 for repayment terms and security details		
17	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absence	121.36	116.44
		121.36	**116.44**
18	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Fixed Assets	1,024.55	1,032.69
	On Others	(56.02)	(6.87)
		968.53	1,025.82
	Deferred Tax Asset		
	On unabsorbed tax depreciation	-	-
	Net deferred tax asset / (liability)	**(968.53)**	**(1,025.82)**
19	**Current liabilities - Borrowings**		
	Secured*		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	3,801.83	6,332.51
	Current maturities of Loans from NBFC	15.63	14.46
	Current maturities of Term Loans	1.92	-
	Unsecured		
	Loans from Directors	7,026.58	8,490.11
		10,845.96	**14,837.08**
	* Refer Note 43 for repayment terms and security details The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		

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Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
20	**Trade payables**		
	Dues to Micro enterprises and Small enterprises *	462.47	595.78
	Dues to Creditors other than Micro and Small enterprises	14,185.25	10,988.29
		14,647.72	11,584.07
	* 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 39.		
	Refer Note 44 for information about risk profile of trade payables under Financial Risk Management.		
	Refer Note 47(b) for information about aging of trade payables		
21	**Provisions (Current)**		
	Provision for employee benefits		
	- Gratuity		
	- Compensated absence	39.14	33.40
	Provision for Income Tax	1,622.19	-
		1,661.33	33.40
22	**Other current liabilities**		
	Interest accrued on borrowings	243.89	302.26
	Statutory Liabilities	70.74	75.27
	Advance and deposits from customers etc.	74.57	61.64
		389.20	439.17

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Rahul

Ajit Dhanuka

Pramod

Preeti

DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
23	**Revenue from operations**		
	Sale of Products	58,709.79	44,609.60
	Sale of Services	124.89	124.34
		58,834.68	**44,733.94**
24	**Other income**		
	Interest income	120.83	7.27
	Dividend Received	0.01	0.06
	Profit on sale of assets	-	-
	Profit on sale of Investments	7,157.44	-
	Foreign exchange gain (net)	357.14	110.53
	Cash Discount	25.84	3.13
	Other non-operating income	16.55	7.74
		7,677.81	**128.73**
25	**Cost of materials consumed**		
	Opening inventory of raw materials	5,144.95	4,620.78
	Add : Purchases	46,846.68	35,786.35
	Less : Closing inventory of raw materials	(4,449.01)	(5,144.95)
		47,542.62	**35,262.18**
26	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	9,014.04	8,048.81
	Finished Goods	-	-
		9,014.04	**8,048.81**
	Closing Balance		
	Intermediates & Work-in-progress	11,629.19	9,014.04
	Finished Goods	-	-
		11,629.19	**9,014.04**
	Total changes in inventories	**2,615.15**	**965.23**
27	**Employee benefits expense**		
	Salaries and wages	1,867.17	1,747.38
	Directors' Remuneration & perquisites	39.31	40.99
	Contribution to provident and other funds	108.85	103.96
	Staff welfare expenses	53.58	46.62
		2,068.91	**1,938.95**
28	**Finance Cost**		
	Interest on Term Loans	4.67	11.96
	Interest On Deposits	671.95	767.93
	Interest on others	619.09	649.04
		1,295.71	**1,428.93**

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Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
29	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	731.03	719.08
		731.03	**719.08**
30	**Other expenses**		
	Power and Fuel	3,334.75	3,517.72
	Job Work/Conversion Charges	187.01	96.88
	Consumption of Stores, Spares & Chemicals	109.08	315.64
	Consumption of Packing Material	170.86	167.41
	Repairs to buildings	30.99	31.44
	Repairs to Machinery	130.28	483.11
	Factory maintenance	693.17	109.57
	Lab Expenses	129.97	99.43
	Research & Development Expenses	43.20	14.01
	Freight & Cartage	82.92	7.14
	Rent	0.44	0.43
	Insurance	45.53	58.21
	Rates & Taxes	3.89	45.70
	Postage, Telephone & Telex	33.22	32.61
	Printing & Stationery	34.84	22.65
	Vehicle Maintenance	36.64	43.72
	Recruitment expenses	0.74	0.14
30 (a)	Payment to Auditors [Refer Note 30 (a)]	4.10	4.10
	Travelling and Conveyance	194.35	180.89
	Commission on Sales	1,525.06	886.42
	Business Promotion and Selling Expenses	8.56	9.84
	Lease Rentals	282.70	308.73
	Consultancy & Professional Fees	67.89	55.18
	Loss on sale of assets	9.10	326.69
	Loss From Investment in Partnership Firm	982.78	1,309.59
	Bank charges	5.81	11.93
	Festival expenses	22.02	25.62
	CSR Contribution and other Donations	133.20	10.16
	Repair and maintenance to Computer and software	27.41	15.23
	Interest on MSME Creditors	2.13	9.93
	Miscellaneous expenses	4.18	11.34
		8,336.82	**8,211.46**
30 (a)	**Payment to auditors ***		
	For Statutory audit	2.15	2.15
	For Tax Audit	1.85	1.85
	For certificate and other services	0.10	0.10
		4.10	**4.10**
	* Excluding taxes		

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Pramod

Preeti

DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
31	**Exceptional items**		
	Exceptional items	-	-
		-	-
32	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	1,622.19	-
	Current Tax in respect of earlier year	-	(69.35)
	Total current tax expense	**1,622.19**	**(69.35)**
	Deferred tax		
	Deferred tax adjustments (Refer to note 51)	(57.28)	(62.55)
	Total deferred tax expense/(benefit)	**(57.28)**	**(62.55)**
	Income tax expense	**1,564.91**	**(131.90)**

b) Movement of deferred tax expense for the year ended Marrch 31, 2024

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	(1,032.69)	8.13	-	(1,024.55)
Unabsorbed tax depreciation (Refer note 51)	-	-	-	-
Unabsorbed Capital Loss	-	-	-	-
Other temporary differences	6.87	49.14	-	56.02
	(1,025.82)	**57.27**	**-**	**(968.53)**

c) Movement of deferred tax expense during the year ended March 31, 2023

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(1,144.01)	111.33	-	(1,032.69)
Unabsorbed tax depreciation*	55.34	(55.34)	-	-
Unabsorbed Capital Loss	-	-	-	-
Other temporary differences	0.31	6.56	-	6.87
	(1,088.36)	**62.55**	**-**	**(1,025.82)**

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Chartered Accountants
NOIDA

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DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
33	**Earnings per share**		
	Profit for the year attributable to owners of the Company	7,587.58	(1,600.78)
	Weighted average number of ordinary shares outstanding	13,84,660	13,84,660
	Weighted average number of ordinary shares outstanding for Diluted earnings per share	13,84,660	13,84,660
	Basic earnings per share (Rs)	547.97	(115.61)
	Diluted earnings per share (Rs)	547.97	(115.61)
34	**Earnings in foreign currency**		
	FOB value of exports	27,327.20	22,340.85
		27,327.20	**22,340.85**
35	**Expenditure in foreign currency (on accrual basis)**		
	Business Promotion	1.86	-
	Commission	1,051.01	581.26
	Travelling Expenses	0.72	-
	Interest on Buyer's Credit	176.05	96.92
	Laboratory Expenses	15.80	-
	Computer Expenses	17.13	7.94
		1,262.57	**687.75**
36	**CIF value of imports**		
	Raw Materials and packing materials	26,120.84	20,388.35
	Capital goods	-	-
		26,120.84	**20,388.35**

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

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	27,492.47	57.83	21,090.12	59.81
Others	20,050.15	42.17	14,172.06	40.19
	47,542.62	**100.00**	**35,262.18**	**100.00**
Stores, Spares and Consumable stores				
Imported		-		-
Others	109.08	100.00	315.64	100.00
	109.08	**100.00**	**315.64**	**100.00**

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DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the year ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

38 Expenditure on Corporate Social Responsibility

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the company during the year:	-	95.72
(b) Amount spent during the year:	-	-
(i) Donations for sanitation of water and women education	-	-
(ii) Donation to Hare Krishna Movement, Vrindavam for eradicating hungers	35.00	3.15
(iii) Donation and contributions for promoting health care including preventive health care for poor.	2.00	1.80
(iv) Donation to The Prime Minister Relief Fund	81.23	-
(v) Contribution to construction of government schools	4.50	-
	122.73	4.95

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	438.79	574.22
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	23.69	21.56
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years		

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 Commitments and contingent liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contingent Liability		
Unexpired letters of credit	-	-
Bank guarantees outstanding	-	-
Claims against the company not acknowledged as debts	-	-
- Income Tax Demand Pending in Appeal	46.79	388.77
- Sales Tax dispute pending before Sales Tax authorities for C form	-	-
- Demand under Customs at Kandla	14.64	14.64
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

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Dhanuka Laboratories Ltd.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

41 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

(a) Revenue from external customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	31,507.48	22,268.75
Rest of the world	27,327.20	22,340.85
Total	**58,834.68**	**44,609.60**

(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	For the year ended March 31, 2024	For the year ended March 31, 2023
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-

42 Operating lease arrangements

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As Lessee The Company has operating lease arrangements for premises. These are non-cancellable leases and can be extended on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no subleases.		
-Payable within one year	91.69	5.64
-Later than one year but not later than five years	64.69	3.74
-Later than five years		-
Lease payments recognised in the Statement of Profit and Loss	282.70	308.73

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Vdhl Ajit Dhanuka

Pramod Preeti

DHANUKA LABORATORIES LTD.

43 Terms and conditions of borrowings

Long term borrowings

The company has taken car loan from ICICI Limited commencing from January, 2021 carrying interest rate @ 7.90% p.a. payable in 36 monthly instalments and two car loans from Daimler Financial Services India Private Limited commencing from July 04, 2020 and November 04, 2021 carrying interest rate @ 7.3632% p.a. and 8.0613% p.a. payable in 60 and 48 monthly instalments respectively. Also, the company has a car loan from HDFC Bank commencing from September, 2022 carrying interest rate @ 8.25% p.a. payable in 60 monthly instalments.
The loans are secured by hypothecation of the vehicle.

Foreign currency loan includes loan from HSBC Mauritius.

Loan from HSBC.
The Company has taken loan from the said bank amounting to USD 2000000 taken on 20-06-2017 carries interest @ LIBOR plus 160 Basic Points . The loan is repayable in 16 quarterly instalments commencing from the quarter beginning on October 20 , 2018 . Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company. This loan was fully repaid during the FY 2022-23

Short term borrowings

The short term borrowings of the Company includes Cash Credit Limit from various banks namely HDFC, Axis Bank, Indusind, Yes Bank, Bajaj Finance Limited and The Hongkong and Shanghai Banking Corporation Ltd. and Working Capital Demand Limit from HDFC, Axis Bank, The Hongkong and Shanghai Banking Corporation Ltd., Bajaj Finance Limited and Yes Bank which are secured by hypothecation of Raw Material, Work-in-Progress, Finished Goods, Packing Material, Stores & Spares, and Book Debt of Company and by second charge on Land & Building, Plant & Machinery and other movable Fixed Assets. The borrowings from banks are additionally secured by personal guarantee of Directors of the Company.

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Arjun Dhanuka

Pramod Preeti

DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

44 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, 2024**	**March 31, 2023**
Debt	1,549.19	56.37
Less: Cash and bank balances	41.13	28.66
Net debt	1,508.06	27.71
Total equity	34,630.77	27,043.19
Gearing ratio (%)	4.35%	0.10%

Categories of Financial Instruments	**March 31, 2024**	**March 31, 2023**
Financial assets		
a. Measured at amortised cost		
Investments	22,246.53	21,019.09
Other non-current financial assets	320.45	337.20
Trade receivables	14,558.44	8,903.50
Cash and cash equivalents	23.22	14.00
Bank balances other than	17.91	14.66
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	1,531.64	41.91
Borrowings (current)	10,845.96	14,837.08
Trade payables	14,647.73	11,584.07

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.

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DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

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:

Particulars	Currency	March 31, 2024		March 31, 2023	
		Amount outstanding FCY	Amount outstanding INR	Amount outstanding FCY	Amount outstanding INR
Liabilities					
Unhedged foreign currency exposure					
Stand By Letter Of Credit	USD	32.72	2,728.69	21.09	1,733.20
IndusInd Bank(FCNR)	USD	-	-	-	-
Trade Payable	USD	46.86	3,907.28	39.37	3,235.68
Hedged foreign currency exposure					
Assets					
Unhedged foreign currency exposure					
Trade Receivables	USD	73.29	5,981.95	27.72	2,275.02
Trade Receivables	EURO	0.39	32.53		
Foreign Currency in Hand	USD	0.00	0.16	0.02	1.31
Foreign Currency in Hand	EURO	0.02	3.06	0.01	3.04
Foreign Currency in Hand	Others	0.01	0.06	0.01	0.06
Hedged foreign currency exposure					

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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

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DHANUKA LABORATORIES LTD.

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.

Credit risk management
Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables
The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits
Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures
Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management
Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Ashok Kumar Malhotra & Associates
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NOIDA

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DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

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.

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	14,647.73	-	-	14,647.73
Borrowings (including interest accrued thereon upto the reporting date)	1.92	-	-	1.92
	14,649.65	**-**	**-**	**14,649.65**

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	11,584.07	-	-	11,584.07
Borrowings (including interest accrued thereon upto the reporting date)	-	-	-	-
	11,584.07	**-**	**-**	**11,584.07**

	March 31, 2024	March 31, 2023
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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Vishal Ajit Dhanuka

Pramod Preeti

DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

45 Related party disclosure

a) List of parties having significant influence

Subsidiary Company	Orchid Pharma Limited
Subsidiary of Orchid Pharma Limited	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 Orchid Bio - Pharma Limited
Key management personnel (KMP)	Mr. Manish Dhanuka (Managing Director) Mr. Arjun Dhanuka (Whole time Director) Mr. Pramod Kumar Singh (CFO, Appointed w.e.f. May 16, 2023) Mr. Sunil Gupta (CFO, Resigned w.e.f. March 31, 2023) Mr. Pavitra Mishra (Company Secretary, Resigned w.e.f. September 09, 2022) Mr. Vikas (Company Secretary, Appointed w.e.f. February 20,2024) Mr. Preeti (Company Secretary, Appointed w.e.f. March 26, 2024)
Relatives of KMP	Mrs. Seema Dhanuka (Wife of Manish Dhanuka) Mrs. Mamta Dhanuka (Mother of of Arjun Dhanuka) Mrs. Varsha Goel (Sister of Arjun Dhanuka) Mr. Arun Kr. Dhanuka (Director, Brother of Manish Dhanuka), died on January 30, 2023 Mr. Arun Kr. Dhanuka (Director, Father of Arjun Dhanuka), died on January 30, 2023
Entities in which relatives of KMP exercise significant influence	Dhanuka Agritech Limited (Enterprises over which KMP and their relatives have Otsuka Chemical (India) Private Limted (Enterprises over which KMP and their relatives have significant influence) Synmedic Laboratories (98%) Parnership Firm

b) Transactions during the year

S.No.	Nature of transactions	Year ended on March 31, 2024	Year ended on March 31, 2023
1	**Unsecured Loan Taken**		
	Mr. Manish Dhanuka	-	220.00
	Mr. Arjun Dhanuka	210.50	-
	Mrs. Seema Dhanuka	-	30.00
	Mrs. Mamta Dhanuka	71.03	-
	Mrs. Varsha Goel	300.00	-
	Dhanuka Agritech Limited	1,500.00	2,000.00
2	**Unsecured Loan Repaid**		
	Mr. Manish Dhanuka	597.00	809.41
	Mr. Arjun Dhanuka	417.00	220.00
	Mrs. Seema Dhanuka	289.00	190.00
	Mr. Arun Kumar Dhanuka	371.03	207.47
	Mrs. Mamta Dhanuka	71.03	-
	Mrs. Varsha Goel	300.00	-
	Dhanuka Agritech Limited	-	2,000.00

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Preeti

DHANUKA LABORATORIES LTD.

Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the period ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

S.No.	Nature of transactions	Year ended on March 31, 2024	Year ended on March 31, 2023
3	**Interest Paid**		
	Mr. Manish Dhanuka	52.01	94.44
	Mr. Arjun Dhanuka	26.85	51.91
	Mrs. Seema Dhanuka	35.21	47.10
	Mr. Arun Kumar Dhanuka	-	35.42
	Mrs. Mamta Dhanuka	1.78	-
	Mrs. Varsha Goel	7.52	-
	Dhanuka Agritech Limited	100.08	90.58
4	**Sale of goods**		
	Otsuka Chemical (India) Private limited	1,287.75	852.95
	Synmedic Laboratories	291.94	212.85
	Orchid Pharma Limited	2,498.86	2,062.05
	Dhanuka Agritech Limited	-	30.50
5	**Purchase of Goods**		
	Otsuka Chemical (India) Private limited	18,072.42	13,115.12
	Synmedic Laboratories	1.31	109.38
	Dhanuka Agritech Limited	0.83	0.09
	Orchid Pharma Limited	1,658.66	777.77
6	**Sale of Capital Goods**		
	Orchid Pharma Limited	20.36	2,696.13
7	**Loan Given**		
	Orchid Pharma Limited	1,500.00	-
8	**Loan Returned From**		
	Orchid Pharma Limited	1,500.00	-
9	**Rent Paid**		
	Orchid Pharma Limited	147.82	134.68
10	**Job Works Charges Received**		
	Otsuka Chemical (India) Private limited	-	31.37
	Orchid Pharma Limited	70.08	108.16
11	**Rent Received**		
	Synmedic Laboratories	-	0.24
	Orchid Pharma Limited	-	0.18
12	**Interest on Unsecured Loan**		
	Orchid Pharma Limited	0.36	-
13	**Dividend Received**		
	Otsuka Chemical (India) Private limited	0.01	0.06
14	**Remuneration and contribution to funds**		
	Mr. Arjun Dhanuka	40.99	40.99
	Mr. Sunil Gupta	-	29.68
	Mr. Pavitra Mishra	-	1.75
	Mr. Pramod Kumar Singh	15.96	-
	Mr Vikash	3.56	1.11
	Ms. Preeti	0.09	-

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DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

c) Balances at the end of the year

S.No.	Nature of transactions	Year ended on March 31, 2024	Year ended on March 31, 2023
1	**Sundry Debtors**		
	Orchid Pharma Limited	625.50	428.75
	Dhanuka Agritech Limited	-	30.50
	Synmedic Laboratories	-	-
2	**Sundry Creditors**		
	Otsuka Chemical (India) Private limited	5,002.81	3,146.42
	Orchid Pharma Limited	399.54	5.98
	Synmedic Laboratories	-	-
3	**Unsecured Loans**		
	Mr. Manish Dhanuka	367.28	964.28
	Mr. Arjun Dhanuka	388.10	594.60
	Mrs. Seema Dhanuka	291.20	580.20
	Mr. Arun Kr..Dhanuka	-	371.03
	Mr. Mridul Dhanuka	1,745.00	-
	Mr. Mahendra Kumar Dhanuka	1,745.00	-
	Mr. Rahul Dhanuka	90.00	-
	Mrs. Urmila Dhanuka	2,400.00	-
	Dhanuka Agritech Limited	1,500.00	-
4	**Interest Accrued on Loans**		
	Mr. Manish Dhanuka	17.47	39.34
	Mr. Arjun Dhanuka	11.95	21.78
	Mrs. Seema Dhanuka	12.65	19.83
	Mr. Mridul Dhanuka	58.89	-
	Mr. Mahendra Kumar Dhanuka	58.89	-
	Mr. Rahul Dhanuka	3.04	-
	Mrs. Urmila Dhanuka	81.00	-
	Mr. Arun Kr..Dhanuka	-	14.32
5	**Advance Received from Customer**		
	Orchid Pharma Limited	-	-
	Otsuka Chemcials Pvt. Ltd.	0.66	

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Rahul Arjun Dhanuka

Pramod Preeti

DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

46 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.

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

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	7.255% p.a. (Indicative G.Sec referenced on 31-03-	7.33% p.a. (Indicative G.Sec referenced on 31-03-2022)
Rate of increase in compensation level	7.00%	7.00%
Retirement Age	60 years	60 Years
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

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.

Ashok Kumar Malhotra & Associates
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NOIDA

Pramod Preeti

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Dhanuka Laboratories Limited
Notes to the Standalone financial statements for the period ended March 31, 2024
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2024** Rs. Lakhs	**March 31, 2023** Rs. Lakhs
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 Benefit Obligation at the Beginning of the Period	390.74	368.27
Interest Cost	14.18	25.34
Current Service Cost	18.78	38.58
Past Service Cost	-	-
Benefit Paid From the Fund	(24.20)	(8.14)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations -	-	-
Due to Change in Demographic Assumptions	-	-
Due to Change in Financial Assumptions	7.91	(5.21)
Due to Plan Experience	(11.42)	(28.10)
Present Value of Benefit Obligation at the End of the Period	**395.98**	**390.74**
Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	430.72	429.51
Interest Income	15.68	29.83
Contributions by the Employer	-	0.33
(Benefit Paid from the Fund)	(24.20)	(8.14)
Remeasurements of plan assets	18.95	-
Return on Plan Assets, Excluding Interest Income	-	(20.81)
Fair Value of Plan Assets at the End of the Period	**441.14**	**430.72**
Present value of defined benefit obligation	395.98	390.74
Fair value of plan assets	(441.14)	(430.72)
Net liability/ (asset) arising from defined benefit obligation	**(45.17)**	**(39.98)**
Funded	(45.17)	(39.98)
Unfunded	-	-
	(45.17)	**(39.98)**
Current Liability	(45.17)	(39.98)
Non - Current Liability	-	-

Since the value of planned assets is greater than present value of obligation as on reporting period, the Company has not created any liability in the books of accounts.

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.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2024 Rs. Lakhs	March 31, 2023 Rs. Lakhs
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	160.52	149.85
Net liability/ (asset) arising from defined benefit obligation	**160.52**	**149.85**
Funded		-
Unfunded	160.52	149.85
	160.52	**149.85**
Current Liability	39.14	33.40
Non - Current Liability	121.36	116.44

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 17] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 21].

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47 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Trade Receivables

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	10,736.43	3,741.31	2.17	0.65	2.15	1.15	14,483.86
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	10,736.43	3,741.31	2.17	0.65	2.15	1.15	14,483.86

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	6,809.89	2,090.53	0.46	2.07	0.34	0.21	8,903.50
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	6,809.89	2,090.53	0.46	2.07	0.34	0.21	8,903.50

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Rahul

Preeti

Pramod

DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

(b) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i). MSME	399.85	41.03	-	0.05	-	440.92
(ii) Others	10,844.11	1,632.02	23.42	22.46	58.02	12,580.02
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	-	-	-	-	-	-
	11,243.95	1,673.04	23.42	22.50	58.02	13,020.94
As at March 31, 2023						
(i). MSME	-	579.44	11.63	-	4.72	595.78
(ii) Others	0.17	10,793.13	84.30	54.42	56.26	10,988.29
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	-	-	-	-	-	-
	0.17	11,372.57	95.93	54.42	60.98	11,584.07

(c) **Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder**

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(d) **Borrowings from banks**

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(e) **Relationship with Struck off Companies**

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(f) **Compliance with number of layers of companies**

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(g) ***Key Financial Ratios***

Particulars	Unit of Measurement	March 31, 2024	March 31, 2023	Variation in %
Current Ratio	In multiple	1.25	0.95	31.58%
Debt-Equity Ratio	In multiple	0.04	0.00	**2758.54%**
Debt Service Coverage Ratio	In multiple	4.66	0.05	**9220.00%**
Return on Equity Ratio	In %	24.61%	(5.75%)	**-528.00%**
Inventory Turnover Ratio (Annualised)	In Days	47.00	110.00	-57.27%
Trade receivables Turnover Ratio (Annualise	In Days	36.00	84.00	-57.14%
Trade payables Turnover Ratio	In Days	41.00	95.00	-56.84%
Net Capital Turnover Ratio	In Days	42.00	99.00	-57.58%
Net Profit Ratio	In %	12.90%	(3.58%)	**-460.34%**
Return on Capital Employed	In %	13.58%	(0.25%)	**-5532.00%**
Return on Investment (Assets)	In %	94.74%	NA	NA

Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)
Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

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Reasons for Variation if more than 25%

Debt equity ratio
The entity has taken fresh loan to explore better investment opportunities and earn profit during the year, hence, the said ratio has increased significantly.

Debt Service Coverage Ratio
The major portion of the repayments of the term loans are repaid in the previous year and there is an increase in profit and tax during the year, hence, the said ratio is increased significantly.

Return on Equity Ratio
The company improved its profitability resulting from reduction of finance cost during the year, leading to improvement in the said ratio.

Net Profit Ratio
The company improved its profitability resulting from reduction of finance cost during the year, leading to improvement in the said ratio.

Return on Capital Employed
The company improved its profitability resulting from reduction of finance cost during the year, leading to improvement in the said ratio.

Return on Investment (Assets)
The company improved its profitability resulting from reduction of finance cost during the year, leading to improvement in the said ratio.

(h) Scheme of arrangements
There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(i) Undisclosed Income
The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(j) Details of Crypto Currency or Virtual Currency
The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

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NOIDA

Rahul Arun Dhanuka

Pramod Preeti

DHANUKA LABORATORIES LTD.

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

48 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.

49 The Company is required to comply with the amendments in Schedule III of Companies Act, 2013 notified on 24-03-2021, with effect from 01-04-2021. Accordingly the Company has complied with the disclosure and presentation requirements as per the aforesaid amendments and reclassified the following items in the previous years, to conform to current year classification.

Nature of reclassification	As at March 31, 2024	As at March 31, 2023	Reason for the reclassification
Hitherto, Current maturities of Long term borrowings was included in Other Current Financial Liabilities. As per the requirement under amendments to Schedule III, the same has been presented under 'Short Term Borrowings' as a separate line and previous year figure has been reclassified	17.55	14.46	As required by Amendments to Schedule III to the Companies Act 2013

50 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

51 No deferred tax assets has been created on carry forward losses as there is no virtual certainty supported by convincing evidence involved in this that the benefits will flow to the entity

52 Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

53 The financial statements were approved for issue by the Board of Directors on September 4, 2024

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Noida
Date : 04.09.2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 04.09.2024
Place : Gurugram

Arjun Dhanuka
Director
DIN: 00454689
Date : 04.09.2024
Place : Gurugram

CA Pramod Kumar Singh
CFO
M.No. 516290
Date : 04.09.2024
Place : Gurugram

CS Preeti
Company Secretary
M.No. A73349
Date : 04.09.2024
Place : Gurugram

INDEPENDENT AUDITOR'S REPORT

To

The Members of Dhanuka Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Dhanuka Laboratories Limited** (hereinafter referred to as the "the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the financial year ended March 31, 2024, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "The Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our audit 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, 2024, and their consolidated profit, their consolidated total comprehensive income, changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the fact that the Consolidated Financial Statements for the year ended March 31, 2024 include the impacts of financial statements for the year ended March 31, 2024, of the following step-down subsidiary companies:

- Orchid Pharma Limited
- Orchid Europe Limited, UK (Upto 27th September 2022)
- Orchid Pharmaceuticals Inc., USA
- Orchid Bio - Pharma Limited
- Bexel Pharmaceuticals Inc., USA
- Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (Upto 31st January 2024)
- Diakron Pharmaceuticals Inc., USA

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E-mail: caashokkumar.malhotra@gmail.com

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

We did not audit the financial statements of the above subsidiaries and Associate whose financial statements reflect total Assets of Rs.957.58 Lakhs and net Assets of Rs. (-) 6379.90 Lakhs as at March 31, 2024, total revenue from operations of Rs. Nil, total comprehensive income after tax of Rs.(-) 2.86 Lakhs for the year ended March 31, 2024 respectively and net cash flows amounting to Rs.(-) 82.54 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 289.78 Lakhs of the associate and its step-down subsidiaries for the year ended March 31, 2024.

The standalone financial statements of the subsidiaries (other than Orchid Bio-Pharma Limited and Orchid Pharma Limited) and associate are unaudited. The auditors of the consolidated financial statements of the immediate subsidiary have also issued a qualification regarding the same in their audit report. The same has 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 the respect of step-down subsidiaries and associate, is based solely on such consolidated financial statements of immediate subsidiary. 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 amounts of assets and liabilities of the above-mentioned step-down subsidiaries and associate of immediate subsidiary as at 31 March, 2024 included in the Consolidated Financial Statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

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

(a) Note 43 to the Consolidated financial statement which describes that the Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Group disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to Rs.3,871.68 Lakhs for the year ended March 31, 2024 in respect of the aforesaid lease. The same has been treated as contingent liabilities in the consolidated financial statements of the Group.

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

Our opinion on the consolidated financials statements is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter stated below, our description of how our audit addressed the matter is provided in that context.

1.Revenue Recognition (Refer Note 3 (h) and 29 to the Consolidated financial Statements)

Key audit matter	**How our audit addressed the key audit matter**
Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Group, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred.	As part of our audit procedures, we: • Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. • Evaluated the design, tested the implementation and operating effectiveness of the Holding Company's internal controls including general IT controls and key IT application controls over recognition of revenue. • On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. • Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. • Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and 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 Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies/ entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Group, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Other Matters

We did not audit the financial statements of a subsidiary whose financial statements includes total assets of Rs.1,55,220.41 Lakhs as at March 31, 2024, total revenues of Rs.84,975.76 Lakhs total net profit after tax of Rs. 9,474.75 Lakhs, total other comprehensive income of Rs (-) 33.72 Lakhs for the year ended March 31, 2024 and net cash inflow of Rs. (-) 1,801.30 Lakhs for the year ended March 31, 2024, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on the report of the other auditor. Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditor of subsidiary company incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements so far as it appears from our examination of those books.

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 for the purpose of preparation of the Consolidated Financial Statements, subject to our comments in the basis of qualified opinion paragraph of our report.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with companies (Indian Accounting Standards) Rules 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies company incorporated in India is disqualified as on March 31, 2024 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding company and its subsidiary company incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act, and

NOIDA

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

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group - Refer Note 43 to the Consolidated Financial Statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts,

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024;

iv. The management has represented that, to the best of its knowledge and belief:

a) The respective managements of the Holding Company and its subsidiary Companies incorporated in India have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company and its subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company and its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective management of the Holding Company and its Subsidiary Company incorporated in India has represented, that, to the best of its knowledge and belief, no funds have been received by the holding company and its subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company of the Holding Company and its Subsidiary Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Place: Noida
Dated: 04th September, 2024
UDIN: 24082258BKFAKE5599

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Dhanuka Laboratories Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 of the financial statements, whether due to fraud or error.

Ashok Kumar Malhotra & Associates
Chartered Accountants
NOIDA

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 (3) 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Ashok Kumar Malhotra & Associates Chartered Accountants * NOIDA *

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Place: Noida
Dated: 04th September, 2024
UDIN: 24082258BKFAKE5599

Dhanuka Laboratories Limited

Consolidated Balance Sheet as at March 31, 2024

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

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	69,718.06	65,715.33
(b) Intangible assets	4	130.99	38.57
(c) Capital work in progress	5	1,639.39	4,646.34
Intangible assets under development		1,427.77	
(d) Financial assets			
(i) Investments	6	8,986.91	7,491.22
(ii)Other Financial Assets	7	916.82	1,024.68
(e) Non-current tax assets(net)	8	5,130.15	5,130.15
(f) Other non-current assets	9	912.93	202.11
Total non-current assets		**88,863.02**	**84,248.40**
Current assets			
(a) inventories	10	42,554.86	37,095.60
(b) Financial assets			
(i) Investments			-
(i) Trade Receivables	11	33,088.11	29,988.15
(ii) Cash and Cash Equivalents	12	383.31	2,273.71
(iii)Bank Balances other than above	13	26,314.33	817.57
(iv)Other Financial Assets	14	450.71	16.01
(c) Current Tax Assets (net)	15	1,211.99	95.37
(d) Non Current assets held for sale and disposal groups	16	-	-
(e) Other current assets	17	8,440.31	4,962.13
Total current assets		**1,12,443.62**	**75,248.54**
Total Assets		**2,01,306.64**	**1,59,496.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	1,384.66	1,384.66
(b) Other Equity	19	1,09,777.68	80,531.09
Equity attributable to equity holders of the parent			
(c) Non-Controlling Interests		34,583.72	7,157.40
Total equity		**1,45,746.06**	**89,073.15**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,553.71	4,050.57
(b) Provisions	21	484.73	1,376.62
(c) Lease liablility	22	37.00	-
(d) Deferred Tax Liability (Net)	23	968.54	1,348.44
Total non-current liabilities		**3,043.98**	**6,775.63**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	12,250.71	33,087.89
(ii) Lease Liability	25	33.33	-
(iii) Trade payables	26	36,580.37	29,327.84
(b) Short Term Provisions	27	1,869.80	382.00
(c) Other Current Liabilities	28	1,782.39	850.43
Total current liabilities		**52,516.60**	**63,648.16**
Total Liabilities		**55,560.58**	**70,423.79**
Total Equity and Liabilities		**2,01,306.64**	**1,59,496.94**
		-	-

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ashok Kumar Malhotra & Associates

Chartered Accountants

Firm Registration No.014498C

Ashok Kumar Malhotra

Proprietor

Membership No.082258

Place : Noida

Date : 04th Sept. 2024

For and on behalf of the board

Manish Dhanuka
Director
DIN : 00238798
Place : Gurugram
Date : 04th Sept. 2024

Arjun Dhanuka
Director
DIN : 00454689
Place : Gurugram
Date : 04th Sept, 2024

CA Pramod Kumar Singh
CFO
Place : Gurugram
Date : 04th Sept, 2024

CS Preeti
Company Secretary
Place : Gurugram
Date : 04th Sept, 2024

Dhanuka Laboratories Limited

Statement of Consolidated profit and loss for the year ended March 31, 2024

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

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Continuing Operations			
A **Income**			
Revenue from operations	29	1,36,543.90	1,08,375.79
Other income	30	10,616.27	1,936.92
Total income		**1,47,160.17**	**1,10,312.71**
B **Expenses**			
Cost of materials consumed	31	96,220.41	73,031.96
Changes in inventories of finished goods and WIP	32	(7,004.55)	(3,112.77)
Employee Benefits Expense	33	9,729.97	8,710.20
Finance costs	34	1,785.35	3,508.82
Depreciation and amortisation expense	35	4,054.74	6,197.76
Other expenses	36	22,891.33	20,701.15
Total expenses		**1,27,677.25**	**1,09,037.12**
C **Profit/ (loss) before exceptional items and tax**		**19,482.92**	**1,275.59**
Exceptional items - Income / (Expenses)	37	-	3,921.04
D **Profit/ (loss) before tax from continuing operations**	38	**19,482.92**	5,196.63
Income tax expense		-	-
Current tax		1,632.90	(69.35)
Deferred tax charge/ (credit)		(379.90)	(62.55)
Loss after tax from continuing operations		**18,229.92**	**5,328.53**
E **Profit/(Loss) for the year from discontinued operations**	39	-	(677.51)
Tax expense of discontinued operations		-	-
Profit/(Loss) from discontinued operations after tax		**-**	**(677.51)**
Profit/Loss for the year before share of profit of Associates		18,229.92	4,651.02
Add:- Share of Profit/Loss of Associates		(289.78)	(215.35)
		17,940.14	**4,435.67**
F **Profit/ (loss) for the year**		**17,940.14**	**4,435.67**
G **Other comprehensive income**	40		
Items that will not be reclassified to profit or loss		-	-
Remeasurement of post employment benefit obligations		(45.06)	(23.28)
Gain/ (Loss) on fair valuation of investments		11.34	5.40
Income tax (charge)/ credit relating to these items		-	-
Other comprehensive income for the year, net of tax		**(33.72)**	**(17.88)**
Total comprehensive income/ (loss) for the year		**17,906.42**	**4,417.79**
Profit/(loss) for the year Attributable to:			
Equity holders of the parent		15,160.40	3,970.63
Non-controlling interests		2,779.74	465.04
Other comprehensive Profit/(loss) Attributable to:			
Equity holders of the parent		(23.55)	(16.08)
Non-controlling interests		(10.17)	(1.80)
Total comprehensive loss for the year Attributable to:			
Equity holders of the parent		15,136.85	3,954.55
Non-controlling interests		2,769.57	463.24
Earnings per share	41		
Basic earnings per share		1,295.64	320.34
Diluted earnings per share		1,295.64	320.34

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ashok Kumar Malhotra & Associates

Chartered Accountants

Firm Registration No.014498C

Ashok Kumar Malhotra

Proprietor

Membership No.082258

Place : Noida

Date : 04th Sept, 2024

For and on behalf of the board

Manish Dhanuka
Director
DIN : 00238798
Place : Gurugram
Date : 04th Sept, 2024

Arjun Dhanuka
Director
DIN : 00454689
Place : Gurugram
Date : 04th Sept, 2024

CA Pramod Kumar Singh
CFO
Place : Gurugram
Date : 04th Sept, 2024

CS Preeti
Company Secretary
Place : Gurugram
Date : 04th Sept, 2024

Dhanuka Laboratories Limited

Statement of Consolidated cash flows for the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit/ loss before income tax	19,193.09	4,303.77
Adjustments for		
Depreciation and amortisation expense	4,054.74	6,197.76
Unrealised forex (gain)/ loss	762.64	164.44
Allowance for expected credit loss	(26.51)	118.83
Profit on sale of Non current assets held for sale included in discontinuing operations	-	-
(Profit)/ loss on sale of fixed assets	37.90	(3,933.77)
Share of Loss from associates under equity method	289.78	215.35
(Profit)/ loss on sale of Investments	(7,157.40)	(1.54)
Share of Loss from Partnership firm	982.79	1,309.59
Finance costs	1,785.35	3,508.82
Dividend Income	(0.01)	(0.06)
Balances Written Off	46.25	-
Interest income	(1,755.64)	(69.07)
	18,212.98	11,814.12
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	107.80	(261.11)
(Increase)/ decrease in inventories	(5,459.26)	(7,087.21)
(Increase)/ decrease in trade receivables	(2,665.23)	(829.85)
(Increase)/ decrease in Other assets	(4,235.56)	2,035.58
Increase/ (decrease) in provisions and other liabilities	(707.30)	(1,290.41)
Increase/ (decrease) in trade payables	7,523.75	962.09
Cash generated from operations	12,777.18	5,343.21
Less : Income taxes paid (net of refunds)	(984.80)	40.84
Net cash from operating activities (A)	**11,792.38**	**5,384.05**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(6,893.26)	(6,559.82)
Sale proceeds of PPE	18.51	185.65
Net Sale proceeds of IKKT Undertaking	-	-
Net Sale proceeds of Land & Buildings	-	5,761.00
Disposal proceeds of Investments	6,859.40	(103.46)
Purchase of Investments	-	-
(Investments in)/ Maturity of fixed deposits with banks	(25,496.76)	(441.93)
Investment in equity share of associate companies		-
Share of Loss from Partnership firm	-	-
Proceeds (Withdrawals) in Partnership Firm Investments	(840.22)	1,021.47
Dividend received	0.01	0.06
(Investments in)/ Maturity of unsecured loan given	(1,500.00)	
Interest received	1,321.00	53.37
Net cash used in investing activities (B)	**(26,531.32)**	**(83.66)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	39,194.21	-
Proceeds from Borrowings	(456.34)	19,569.84
Repayment of Borrowings(net)	(22,899.79)	(18,553.24)
Finance costs	(2,989.55)	(4,735.94)
Net cash from/ (used in) financing activities (C)	**12,848.53**	**(3,719.34)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,890.41)**	**1,581.05**
Cash and cash equivalents at the beginning of the financial year	2,273.72	692.66
Cash and cash equivalents at end of the year	383.31	2,273.71

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	367.85	2,260.92
- in fixed deposit with original maturity of less than 3 months	5.64	5.27
Cash on hand	9.82	7.52
	383.31	2,273.71

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ashok Kumar Malhotra & Associates

Chartered Accountants

Firm Registration No.014498C

Ashok Kumar Malhotra

Proprietor

Membership No.082258

Place : Noida

Date : 04th Sept, 2024

For and on behalf of the board

Manish Dhanuka

Director

DIN : 00238798

Place : Gurugram

Date : 04th Sept, 2024

Arjun Dhanuka

Director

DIN : 00454689

Place : Gurugram

Date : 04th Sept, 2024

CA Pramod Kumar Singh

CFO

Place : Gurugram

Date : 04th Sept, 2024

CS Preeti

Company Secretary

Place : Gurugram

Date : 04th Sept, 2024

Dhanuka Laboratories Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

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

(A) Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66

(B) Other Equity

Particulars	Securities Premium Reserve	Capital Reserve	Other Reserves	General Reserve	Capital Redemption Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31, 2022	**5,120.69**	**58,872.31**	-	**367.84**	**195.05**	**193.15**	**12,265.64**	**77,014.68**
Total Comprehensive Income for the year	-	-		-	-	(16.08)	3,970.63	3,954.55
Additions/ (deductions) during the year	-	(438.14)	-	-	-	-	-	(438.14)
Balance as at March 31, 2023	**5,120.69**	**58,434.17**	-	**367.84**	**195.05**	**177.07**	**16,236.27**	**80,531.09**
Total Comprehensive Income for the year	26,681.63	(12,728.99)	157.09	-	-	(23.55)	15,160.40	29,246.58
Additions/ (deductions) during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	**31,802.32**	**45,705.18**	**157.09**	**367.84**	**195.05**	**153.52**	**31,396.67**	**1,09,777.68**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ashok Kumar Malhotra & Associates

Chartered Accountants

Firm Registration No.014498C

Ashok Kumar Malhotra

Proprietor

Membership No.082258

Place : Noida

Date : 04th Sept, 2024

For and on behalf of the board

Manish Dhanuka

Director

DIN : 00238798

Place : Gurugram

Date : 04th Sept, 2024

Arjun Dhanuka

Director

DIN : 00454689

Place : Gurugram

Date : 04th Sept, 2024

CA Pramod Kumar Singh

CFO

Place : Gurugram

Date : 04th Sept, 2024

CS Preeti

Company Secretary

Place : Gurugram

Date : 04th Sept, 2024

Dhanuka Laboratories Limited

Notes to the Consolidated financial statements for the year ended March 31, 2024

1 Corporate Information

Dhanuka Laboratories Limited ("the Company") is a public Company domiciled in India and incorporated on February 24th, 1993 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at New Delhi and is one of the leading pharmaceutical companies in India head quartered in Delhi and involved in the manufacture and marketing of diverse bulk actives and formulations of various drugs.

The Consolidated Financial Statements comprise financial statements of "Dhanuka Laboratories Limited" ("the Holding Company") and its subsidiary (Orchid Pharma Limited) (collectively referred to as "the Group") for the year ended March 31, 2024.

2 Basis of preparation of financial statements

a. Basis of Consolidation

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the parent and its subsidiary are prepared by line by line adding together like items of assets, liabilities, equity, income and expenses. Inter - Company balances and transactions, and any unrealized gains arising from inter- company transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on 04th September , 2024

c. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

d. Basis of measurement

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

e. Current or Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

f. Use of Judgements and estimates

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Intangible Assets, Recognition of deferred tax, and the recognition of provisions, including those for litigation and impairment, employee benefits and sales deductions.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

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3 Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:-

a. Property, plant and equipment

I Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized 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 all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

III Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method (SLM) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

Building including factory building	:	30 years
General plant and machinery	:	20 years
Furniture and Fittings	:	10 years
Vehicles	:	08 years
Computers and data processing units	:	03 years
Electrical Equipment's	:	10 years
Office Equipment	:	05 years
Laboratory Equipment	:	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b. Intangible assets

I Recognition and measurement

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method. It is amortized from the point at which the asset is available for use.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

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II Transition to IND AS

On transition to Ind AS, company has elected to continue with the carrying value; if any of all of its intangible assets recognized as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

c. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

II Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

(iii) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

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III Impairment of financial assets

The company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve-month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV Derecognition

(i) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

(ii) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V Reclassification of Financial Assets and Financial Liabilities

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. If the company reclassifies financial assets, it applies 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 recognized gains, losses (including impairment gains or losses) or interest.

VI Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

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, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Level 1-This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable 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.
Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.
Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.
Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exists, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h. Revenue Recognition

I Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the company. The amount of revenue and associated costs can be measured reliably. Amounts disclosed as revenue are net of GST, sale returns, trade discounts and volume rebates.
Incentives on exports are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

II Sale of Services

Revenue from sale of services is recognized as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

III Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

IV Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

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III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

i. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and
b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities, and

ii)The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Statement of cash flow

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

p. Lease

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 fulfillment 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.

I. Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the 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 a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.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.

II. Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

q. Earning 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.

r. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of profit and Loss.

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Notes to the Consolidated financial statements for the year ended March 31, 2024

(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	Computers	Electrical Equipment's	Factory Equipment	Laboratory Equipment	Total	Right of use Assests Builidng	Internally generated DMF and ANDA	Computer Software	Total
Cost as at March 31, 2022	1,841.76	0.61	17,999.46	1,10,381.40	350.39	225.60	58.04	138.05	661.73	326.78	1,823.24	1,33,807.06		1,012.91	54.06	1,066.97
Additions	586.25	-	1,591.95	699.99	6.40	14.33	2.26	2.29	15.53	-	5.21	2,924.21		14.21		14.21
Disposals	(417.44)	-	-	(236.84)	(16.09)	-	-	-	-	-	(2.53)	(672.90)		(4.78)		(4.78)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Classified as Non current assets held for sale (Refer Note 51)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Cost as at March 31, 2023	2,010.57	0.61	19,591.41	1,10,844.55	340.70	239.93	60.30	140.34	677.26	326.78	1,825.92	1,36,058.37		1,022.34	54.06	1,076.40
Additions	379.98	-	664.90	6,737.16	154.01	156.21	97.83	15.65	15.43		9.68	8,230.85	100.36		138.57	238.93
Disposals				(61.51)	(9.95)	(6.14)	(10.09)					(87.69)			-	
Other adjustments				(261.97)								(261.97)			-	
Classified as Non current assets held for sale (Refer Note 51)												-				
Cost as at March 31, 2024	2,390.55	0.61	20,256.31	1,17,258.23	484.76	390.00	148.04	155.99	692.69	326.78	1,835.60	1,43,939.56	100.36	1,022.34	192.63	1,315.33
Depreciation/Amortisation																
As at March 31, 2022	-	0.61	4,615.91	57,344.77	240.27	78.69	47.55	107.22	324.70	145.34	1,313.61	64,218.67		1,012.91	20.33	1,033.24
Charge for the year	-	-	820.95	5,211.52	10.01	24.81	2.02	7.21	55.11	15.54	45.98	6,193.15		1.46	3.13	4.59
Disposals	-	-	-	(68.68)	-	-	-	-	-	-	(0.11)	(68.79)		-	-	
As at March 31, 2023	-	0.61	5,436.86	62,487.61	250.28	103.50	49.57	114.43	379.81	160.88	1,359.48	70,343.03		1,014.37	23.46	1,037.83
Charge for the year			834.77	2,904.03	12.62	32.55	13.38	6.18	56.45	7.00	43.16	3,910.14	33.45	2.55	110.51	146.51
Disposals				(24.25)	(0.48)	(5.83)	(1.12)					(31.68)		-	-	
As at March 31, 2024	-	0.61	6,271.63	65,367.39	262.42	130.22	61.83	120.61	436.26	167.88	1,402.64	74,221.49	33.45	1,016.92	133.97	1,184.34
Net Block																
As at March 31, 2022	1,841.76	-	13,383.55	53,036.63	110.12	146.91	10.49	30.83	337.03	181.44	509.63	69,588.43	-	-	33.73	33.73
As at March 31, 2023	2,010.57	-	14,154.55	48,356.94	90.42	136.43	10.73	25.91	297.45	165.90	466.44	65,715.33	-	7.97	30.60	38.57
As at March 31, 2024	2,390.55	-	13,984.68	51,890.84	222.34	259.78	86.21	35.38	256.43	158.90	432.96	69,718.06	66.91	5.42	58.66	130.99

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Dhanuka Laboratories Limited

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
5	Capital Work-in-progress		
	Property, plant and equipment under development	1,639.39	4,646.34
		1,639.39	4,646.34
	Refer Note 51 (a) for aging schedule of Capital work in progress		
	Refer Note 51 (c) for information relating to estimated completion schedule of Capital work in progress		
5A	**Intangible Assets under development**		
	Intangible Assets under development	1,427.77	-
		1,427.77	-
	Refer Note 51 (b) for aging schedule of Intangible Assets under development		
6	**Non-current investments**		
	Investment in Equity Instruments		
	Non Trade		
a.	**Investments in companies other than subsidiaries, associates and joint ventures at FVOCI**		
	i. Investments in Equity Instruments (Quoted)		
	18,600 equity shares (PY 18,600) of Rs.10 each in Bank of India Limited, fully paid up	25.27	13.93
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 (PY: 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up	60.00	60.00
	1,19,568 (PY 1,19,568) equity shares of Rs. 10 each in Madras Stock Exchange-Non Traded, fully paid up	23.99	23.99
	42,00,000 (PY: 42,00,000) equity shares of Rs 10 each Investment in Nellai Renewables Private Limited, fully paid up	420.00	420.00
	8,823 (PY 8,823) equity shares of Rs.1/- each allotted in Madras Enterprises Limited *	3.83	3.83
	41,66,924 (PY Nil) equity shares of Rs. 10 each in Dalavaipuran Renewables Private Ltd.fully paid up	416.70	-
b.	**Investments in Equity Instruments of Associate (Unquoted) at cost**		
	4,55,00,000 (PY: 4,55,00,000 nos.) equity share of Rs.10 /- each in Orbion Pharmaceuticals private limited fully paid up	3,692.60	3,982.38
c.	**Investments in companies other than subsidiaries, associates and joint ventures at FVTPL**		
	i. Investments in Equity Instruments (Unquoted)		
	50 equity shares (PY 50) of Rs. 10 each in Saraswat Co-operative Bank, fully paid up	0.01	0.01
	1000 equity shares (PY 1000) of Rs. 10 each in Otsuka Chemical (India) Private Limited, fully paid up	1.60	1.60
	Investments in Partnership Firms at Cost		
	Synmedic Laboratories	2,902.91	3,045.48
	98% Capital is held with Synmedic Laboratories , 1% held with Manish Dhanuka, 1% held with Harsh Dhanuka		
	Investment in Debt Instruments		
	Inter corporate Loan given to Tirthankar Dealers & Agents Private Limited @ 12% p.a. for 2 years (Measured at amortised cost)	1,500.00	
		9,046.91	7,551.22
	Less: Provision for diminution in value of investments	(60.00)	(60.00)
		8,986.91	7,491.22
	Total non-current investments		
	Aggregate value of quoted investments	25.27	13.93
	Aggregate market value of quoted investments	25.27	13.93
	Aggregate value of unquoted investments	9,021.64	7,537.29
	Aggregate amount of impairment in value of investments	60.00	60.00

Ashok Kumar Malhotra & Associates NOIDA

Dhanuka Laboratories Limited

Pramod

Preeti

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Deposits with Government Authorities	7.44	627.49
	Fixed deposits with banks (maturing after 12 month from the reporting date)	907.80	329.76
	Other Deposits	1.58	67.43
	(Unsecured, considered doubtful)		
	Others	202.66	202.66
	Less: Provision for expected credit loss	(202.66)	(202.66)
		916.82	**1,024.68**
	Note: The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.		
8	**Non-current tax assets (net)**		
	Advance income tax (net of provision for tax)	5,130.15	5,130.15
		5,130.15	**5,130.15**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	912.93	202.11
	Advances to suppliers	-	-
	(Unsecured, considered doubtful)		
	Advances to suppliers	-	15,333.30
		912.93	15,535.41
	Less : Provision for expected losses	-	(15,333.30)
		912.93	**202.11**
	Note :The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.		
10	**Inventories**		
	Raw Materials	11,050.02	12,733.60
	Intermediates & Work-in-progress	23,115.75	16,759.04
	Finished Goods	7,442.50	6,794.66
	Stores and Spare parts	323.89	196.69
	Chemicals and Consumables	333.11	212.54
	Packing Materials	289.59	399.07
		42,554.86	**37,095.60**
	Note: The Group has physically verified the inventories at reasonable intervals and there are no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.		

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Dhanuka Laboratories Limited

Dhanuka Laboratories Limited

Notes to the Consolidated financial statements for the year ended March 31, 2024

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
11	**Trade receivables**		
	Trade Receivables considered good - Secured		-
	Trade Receivables considered good - Unsecured*	33,088.11	29,988.15
	Trade Receivables which have significant risk increase in credit risk	-	
	Trade Receivables credit impaired	4,347.91	4,374.42
		37,436.02	34,362.57
	Less: Allowance for expected credit loss	(4,347.91)	(4,374.42)
		33,088.11	**29,988.15**
	***Note:** Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 49 relating to amounts receivable from related parties."		
	Refer Note 48 for information about risk profile of Trade Receivables under Financial Risk Management.		
	Refer Note 51 (d) for the ageing schedule of Trade Receivables.		
12	**Cash and cash equivalents**		
	Cash on hand	9.82	7.52
	Balances with banks		
	In current accounts	367.85	2,260.92
	Term Deposits		
	In fixed deposit (with original maturity less than 3 months)	5.64	5.27
		383.31	**2,273.71**
13	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	17.91	416.12
	In term deposits with banks (with original maturity within 12 months from the reporting date)	1.46	-
	In earmarked accounts		
	In term deposits with banks * (with original maturity within 12 months from the reporting date)	25,909.27	-
	Escrow Accounts	294.86	310.55
	Fractional Shares Payable Bank Account	90.83	90.90
		26,314.33	**817.57**
	The above deposit represents the unutilized balance (including interst accrued) out of QIP funds raised during the year by the Holding Company which are earmarked for utilization for the purposes specified In the Offer document. Refer Note 56.		

Ashok Kumar Goyal & Associates * NOIDA * Chartered Accountants

Dhanuka Laboratories Limited

Preeti

Pramod

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
14	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	450.71	16.01
		450.71	16.01
15	**Current tax assets**		
	Advance income tax (net of provision for tax)	1,211.99	95.37
		1,211.99	95.37
16	**Non current assets held for sale**		
	Other buildings	-	-
		-	-
17	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	1,305.28	1,088.79
	Prepaid expenses	257.40	414.93
	Advance License Benefit	57.58	531.24
	MEIS license scripts entitlement	-	-
	Balances with Statutory Authorities	6,797.86	2,909.41
	Employees Advances	21.43	17.00
	Others amounts receivable	0.76	0.76
		8,440.31	4,962.13
	(Unsecured, considered doubtful)		
	Advances to Suppliers	29.05	29.75
	Less : Allowance for expected credit loss	(29.05)	(29.75)
		8,440.31	4,962.13
	Note :The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.		

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Dhanuka Laboratories Limited

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
18	Equity Share Capital		
	Authorised Share Capital		
	14,50,000 Equity Shares of 100.00 each. (Previous year 14,50,000 Equity Shares of Rs. 100.00 each)	1,450.00	1,450.00
		1,450.00	1,450.00
	Issued Share Capital		
	13,84,660 Equity Shares of Rs. 100.00 each. (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	1,384.66
	Subscribed and fully paid up share capital		
	13,84,660 Equity Shares of Rs. 100.00 each. (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	1,384.66
(a)	Reconciliation of number of equity shares subscribed		
	Balance as at the beginning of the year	13,84,660	13,84,660
	Add: Issued during the year	-	-
	Less : Shares cancelled	-	-
	Balance at the end of the year	13,84,660	13,84,660

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

Name of the share holders	March 31, 2024 %	March 31, 2024 No of shares
Triveni Trust	43.82	6,06,730
Pushpa Dhanuka Trust	13.00	1,79,970
Mr. Manish Dhanuka	14.70	2,03,495
Mrs. Mamta Dhanuka	6.99	96,801
Mr. Arjun Dhanuka	6.47	89,624

Name of the share holders	March 31, 2023 %	March 31, 2023 No of shares
Triveni Trust	43.82	6,06,730
Pushpa Dhanuka Trust	13.00	1,79,970
Mr. Manish Dhanuka	14.70	2,03,495
Mr. Arun Kumat Dhanuka	9.77	139222

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) **Terms/Rights attached to Issued Equity Shares**

The company has only one class of equity shares having a par value of Rs.100 each. The equity shares of the company having par value of Rs 100/- rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, the distribution will be in proportion to the number of Equity Shares held by the shareholders.

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)

(d) **Shares held by holding, subsidiary and associate companies**

There are no shares held by subsidiaries and associates in the Company.

Ashok Kumar Malhotra & Associates Chartered Accountants NOIDA

Dhanuka Laboratories Limited

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

(e) **Disclosure of change in equity Shareholding of promoters**

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Mrs. Uma Dhanuka	58,500	4.22%	-	58,500	4.22%	-
Mr. Ram Gopal Agarwal	100	0.01%	-	100	0.01%	-
Ram Gopal Agarwal HUF	100	0.01%	-	100	0.01%	-
Mr. Harsh Dhanuka	100	0.01%	-	100	0.01%	-
Mr. Rahul Dhanuka	100	0.01%	-	100	0.01%	-
Mrs. Urmila Dhanuka	100	0.01%	-	100	0.01%	-
Mahendra Kumar Dhanuka HUF	4,400	0.32%	-	4,400	0.32%	-
Mridul Dhanuka HUF	10,000	0.72%	-	10,000	0.72%	-
Mr. Mahendra Kumar Dhanuka	100	0.01%	-	100	0.01%	-
Mr. Mridul Dhanuka	100	0.01%	-	100	0.01%	-
Rahul Dhanuka HUF	2,000	0.14%	-	2,000	0.14%	-
Harsh Dhanuka HUF	10,000	0.72%	-	10,000	0.72%	-
Triveni Trust	6,06,730	43.82%	-	6,06,730	43.82%	-
Mrs. Seema Dhanuka	6,829	0.49%	-	6,829	0.49%	-
Mrs. Pushpa Dhanuka	57,510	4.15%	-	57,510	4.15%	-
Pushpa Dhanuka Trust	1,79,970	13.00%	-	1,79,970	13.00%	-
Arun Kumar Dhanuka HUF	1,000	0.07%	-	1,000	0.07%	-
Manish Dhanuka HUF	6,401	0.46%	-	6,401	0.46%	-
Mrs. Mamta Dhanuka	96,801	6.99%	3.44%	49,190	3.55%	-
Mr. Arjun Dhanuka	89,624	6.47%	3.44%	42,013	3.03%	-
Mr. Manish Dhanuka	2,03,495	14.70%	0.00%	2,03,495	14.70%	-
Mr. Arun Kumar Dhanuka*	-	0.00%	-9.77%	1,35,222	9.77%	-
Mrs. Megha Chiripal	20,000	1.44%	1.44%	-	0.00%	-
Mrs. Varsha Goel	20,000	1.44%	1.44%	-	0.00%	-
Mr. Manas Dhanuka	10,700	0.77%	0.00%	10,700	0.77%	-
	13,84,660	**100%**	**0.00**	**13,84,660**	**100%**	-

*Transfer/ Transmission of 1,35,222 shares of deceased Mr. Arun Kumar Dhanuka as follows:
20,000 shares to Varsha and Megha each, 47,611 shares to Mamta and Arjun each.

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Dhanuka Laboratories Limited

Preeti

Pramod

Dhanuka Laboratories Limited

Notes to the Consolidated financial statements for the year ended March 31, 2024

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

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
19	Other Equity		
	Securities Premium	31,802.32	5,120.69
	Capital Redemption Reserve	195.05	195.05
	General Reserve	367.84	367.84
	Profit and Loss Account	31,396.67	16,236.27
	Capital Reserve	45,705.18	58,434.17
	Foreign Currency Fluctuation Reserve	-	-
	Other Comprehensive Income	310.61	177.07
		1,09,777.68	80,531.09
	a) Securities Premium		
	Balance at the beginning and end of the year	31,802.32	5,120.69
	b) Capital Redemption Reserve		
	Balance at the beginning and end of the year	195.05	195.05
	c) General Reserve		
	Balance at the beginning and end of the year	367.84	367.84
	d) Other comprehensive income		
	Balance at the beginning of the year	177.07	193.15
	Net Other Comprehensive Income for the period	133.54	(16.08)
	(Deductions)/ Adjustments during the year	-	-
	Balance at the end of the	**310.61**	**177.07**
	e) Profit and Loss Account		
	Balance at the beginning of the year	16,236.27	12,265.64
	Net profit for the period	15,160.40	3,970.63
	(Deductions)/ Adjustments during the year	-	-
	Balance at the end of the	**31,396.67**	**16,236.27**
	f) Capital Reserve		
	Balance at the beginning of the year	58,434.17	58,872.31
	Additions during the year	(12,728.99)	(438.14)
	Balance at the end of the	**45,705.18**	**58,434.17**

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Dhanuka Laboratories Limited

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

0	r value of Rs.100 each. The equity shares of the company having par value of Rs.100/- rank pari-passu in a	As at March 31, 2024	As at March 31, 2023
20	**Long Term Borrowings - at amortised cost**		
	Secured *		
	From Banks		
	Rupee Term Loans	29.34	3,205.16
	*Foreign Currency Term Loans	-	4,959.26
	From Related Parties	1,500.00	
	From NBFC	26.29	41.91
	Less: Current maturities of Long Term Debt (refer note 24)	(1.92)	(4,155.76)
		1,553.71	4,050.57
	Note :		
	Refer Note 47 for repayment terms and security details		
	The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date		
	Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.		
	Refer Note No. 48 for information about risk profile of borrowings under Financial Risk Management.		
21	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absence	365.36	365.30
	Gratuity	119.37	1,011.32
		484.73	1,376.62
22	**Lease Liabilities - Non current**		
	Lease Liabilities	37.00	-
		37.00	-

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Mdhanuka

Dhanuka Laboratories Limited

Ajay Dhanuka

Preeti

Pramod

Dhanuka Laboratories Limited
Notes to the Consolidated financial statements for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
23	Deferred Tax Asset / (Liability) - Net		
	Deferred Tax Liability		
	On Fixed Assets	12,105.97	9,643.25
	On Others	-56.02	315.75
		12,049.95	9,959.00
	Deferred Tax Asset		
	On unabsorbed tax depreciation	11,081.42	8,610.56
	On Others	-	-
	Net deferred tax asset / (liability)	**968.53**	**(1,348.44)**
24	**Current liabilities - Borrowings**		
	Secured*		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	5,206.58	20,427.56
	Loans from NBFC	15.63	14.46
	Current maturities of Term Loans	1.92	4,155.76
	Unsecured		
	Loans from Others	-	
	Loans from Directors	7,026.58	8,490.11
		12,250.71	**33,087.89**
	* Refer Note 47 for repayment terms and security details		
	The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date		
25	**Lease liability - Current**		
	Lease liability	33.33	-
		33.33	**-**
26	**Trade payables**		
	Dues to Micro enterprises and Small enterprises *	1,329.00	754.22
	Dues to Creditors other than Micro and Small enterprises	35,251.37	28,573.62
		36,580.37	**29,327.84**
	Refer Note 51 (e) for information about aging of Trade Payables		
	* 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		
27	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	160.73	299.41
	Compensated absence	86.88	82.59
	Provision for Income Tax	1,622.19	-
		1,869.80	**382.00**
28	**Other current liabilities**		
	Interest accrued on borrowings	243.89	302.26
	Statutory Liabilities	429.80	223.63
	Advance and deposits from customers etc.,	269.23	229.23
	Fractional Share amount payable to shareholders	90.84	90.91
	Employee payables	748.63	4.40
		1,782.39	**850.43**

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NOIDA

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Notes to the Consolidated financial statements for the year ended March 31, 2024

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

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
29	Revenue from operations		
	Sale of Products		
	Manufactured goods	1,36,064.30	1,07,330.83
	Other Operating Revenues		
	Sale of Other Materials	295.16	924.26
	Others	184.44	120.70
		1,36,543.90	**1,08,375.79**
30	**Other income**		
	Interest income	1,755.64	69.07
	Dividend Received	0.01	0.06
	Profit on sale of assets	-	93.55
	Profit on sale of Investments	7,157.44	1.54
	Foreign exchange gain (net)	1,030.60	630.67
	Cash Discount	25.84	3.13
	Other non-operating income	646.74	1,138.90
		10,616.27	**1,936.92**
31	**Cost of materials consumed**		
	Opening inventory of raw materials	12,733.60	8,903.91
	Add : Purchases	94,536.83	76,861.65
	Less : Closing inventory of raw materials	(11,050.02)	(12,733.60)
		96,220.41	**73,031.96**
32	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	16,759.04	14,956.44
	Finished Goods	6,794.66	5,484.49
	Stock In Trade	-	-
		23,553.70	**20,440.93**
	Closing Balance		
	Intermediates & Work-in-progress	23,115.75	16,759.04
	Finished Goods	7,442.50	6,794.66
	Stock In Trade	-	-
		30,558.25	**23,553.70**
	Total changes in inventories	**7,004.55**	**3,112.77**
33	**Employee benefits expense**		
	Salaries and wages	7,759.14	7,197.30
	Directors' Remuneration & perquisites	736.20	277.20
	Contribution to provident and other funds	502.48	528.87
	Staff welfare expenses	732.15	706.83
		9,729.97	**8,710.20**
34	**Finance Cost**		
	Interest on Term Loans	93.66	1,470.49
	Interest On Deposits	671.95	767.93
	Interest on others	1,019.74	1,270.40
		1,785.35	**3,508.82**

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

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
35	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	3,908.23	6,196.98
	Amortisation of Right of use assets	33.45	-
	Amortisation of Intangible Assets	113.06	0.78
		4,054.74	**6,197.76**
36	**Other expenses**		
	Power and Fuel	9,627.23	9,643.93
	Job Work/Conversion Charges	187.01	96.88
	Consumption of Stores, Spares & Chemicals	1,501.83	1,571.17
	Consumption of Packing Material	170.86	167.41
	Rent	2.37	0.60
	Repairs to buildings	194.77	166.04
	Repairs to Machinery	214.34	566.13
	Factory maintenance	2,317.75	1,555.32
	Insurance	470.93	454.12
	Rates & Taxes	160.70	143.94
	Postage, Telephone & Telex	33.22	32.61
	Printing & Stationery	34.84	22.65
	Vehicle Maintenance	36.64	43.72
	Lab Expenses	129.97	99.43
	Research & Development Expenses	752.57	650.22
	Freight & Cartage	82.92	7.14
	Advertisement	3.04	4.06
	Recruitment expenses	0.74	0.14
	Payment to Auditors [Refer Note 36 (a)]	36.10	39.35
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	305.30	232.10
	Directors' travelling expenses	71.27	52.05
	Directors' sitting fees	9.70	8.00
	Freight outward	702.99	698.41
	Commission on Sales	3,123.51	1,561.44
	Business Promotion and Selling Expenses	89.71	65.98
	Lease Rentals	467.12	275.30
	Consultancy & Professional Fees	451.13	500.67
	Loss on sale of property, plant and equipment	37.90	80.82
	Allowance for expected credit loss	(26.51)	118.83
	Loss From Investment in Partnership Firm/Associate	982.78	1,309.59
	Bank charges	43.92	79.58
	Miscellaneous expenses	441.65	390.59
	Festival expenses	22.02	25.62
	CSR Contribution and other Donations	133.20	10.16
	Repair and maintenance to Computer and software	27.41	15.23
	Balances written off	46.27	-
	Interest on MSME Creditors	2.13	9.93
		22,891.33	**20,701.16**
36 (a)	**Payment to auditors ***		
	As auditors - statutory audit	16.65	18.65
	For limited review and certification services	7.50	7.50
	For taxation matters	3.85	3.85
	For certificate and other services #	8.10	9.35
		36.10	**39.35**

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Notes to the Consolidated financial statements for the year ended March 31, 2024

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

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
37	**Exceptional items**		
	Exceptional items	-	3,921.04
		-	**3,921.04**
38	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	1,632.90	-
	Current Tax in respect of earlier year	-	(69.35)
	Total current tax expense	**1,632.90**	**(69.35)**
	Deferred tax		
	Deferred tax adjustments (Refer to note 62)	(379.90)	(62.55)
	Total deferred tax expense/(benefit)	**(379.90)**	**(62.55)**
	Income tax expense	**1,253.00**	**(131.90)**
39	**Profit/(Loss) for the year from discontinued operations**	-	(677.51)
	Tax expense of discontinued operations	-	-
	Profit/(Loss) from discontinued operations after tax	**-**	**(677.51)**
	Profit/Loss for the year before share of profit of Associates	17,094.01	4,433.75
	Add:- Share of Profit/Loss of Associates	(289.78)	(215.35)
		16,804.23	**4,218.40**
40	**Other comprehensive income**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of post employment benefit obligations	(45.06)	(23.28)
	Gain/ (Loss) on fair valuation of investments	11.34	5.40
	Other comprehensive income/ (loss) for the year, net of tax	**(33.72)**	**(17.88)**
41	**Earnings per share**		
	Profit for the year attributable to owners of the Company	17,940.14	4,435.67
	Weighted average number of ordinary shares outstanding	13,84,660	13,84,660
	Weighted average number of ordinary shares outstanding for Diluted earnings per share	13,84,660	13,84,660
	Basic earnings per share (Rs)	1,295.64	320.34
	Diluted earnings per share (Rs)	1,295.64	320.34
42	**Expenditure on Research and Development**		
	Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes:		
	Power and fuel	-	-
	Consumption of stores, spares and chemicals	191.55	147.32
	Salaries, wages and bonus	483.69	402.62
	Contribution to Provident and other funds	24.65	18.78
	Travelling and conveyance	6.15	0.27
	Filing and registration expenses	0.77	0.88
	Professional consultancy charges	6.75	63.96
	Others	39.01	16.39
		752.57	**650.22**

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43 Commitments and contingent liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Demand Pending in Appeal	46.79	388.77
- Demand under Customs at Kandla	14.64	14.64
- Electricity Department claim #	80.93	52.26
- Other claims **	4,251.65	3,456.78
Unexpired Letter of Credit	1,364.65	738.56
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,096.11	675.43

The Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,871.68 Lakhs upto March 31, 2024 (FY : 2022-23 Rs. 3,077.00 lacs)in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

'The Group is in the process of discussion with the Lessor for the out of court settlement.

Tax demand from Electricity board is under dispute and considered as contingent liability from 01.04.2020

44 **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

(a) Revenue from external customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	42,215.82	32,657.66
Rest of the world	93,903.29	77,513.00
Total	**1,36,119.11**	**1,10,170.66**

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

(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	For the year ended March 31, 2024	For the year ended March 31, 2023
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-

45 Expenditure on Corporate Social Responsibility

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the company during the year:	-	95.72
(b) Amount spent during the year:	-	
(i) Donations for sanitation of water and women education	-	-
(ii) Donation to Hare Krishna Movement, Vrindavam for eradicating hungers	35.00	3.15
(iii) Donation and contributions for promoting health care including preventive health care for poor.	2.00	1.80
(iv) Donation to The Prime Minister Relief Fund	81.23	-
(v) Donation for Haryana State Corporate Social Responsibility Trust	-	-
(vi) Donation to construction of government schools	4.50	
	122.73	4.95

46 Operating lease arrangements

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease payments recognised in the Statement of Profit and Loss	614.94	409.98

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47 Terms and conditions of borrowings

Long term borrowings

The company has taken car loan from ICICI Limited commencing from January, 2021 carrying interest rate @ 7.90% p.a. payable in 36 monthly instalments and two car loans from Daimler Financial Services India Private Limited commencing from July 04, 2020 and November 04, 2021 carrying interest rate @ 7.3632% p.a. and 8.0613% p.a. payable in 60 and 48 monthly instalments respectively. Also, the company has a car loan from HDFC Bank commencing from September, 2022 carrying interest rate @ 8.25% p.a payable in 60 monthly instalments.
The loans are secured by hypothecation of the vehicle.

Foreign Currency Term Loan:

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in July 2023 the Group had prepaid and fully settled the said loan.

Foreign currency loan includes loan from HSBC Mauritius.

Loan from HSBC

The Company has taken loan from the said bank amounting to USD 2000000 taken on 20-06-2017 carries interest @ LIBOR plus 160 Basic Points . The loan is repayable in 16 quarterly instalments commencing from the quarter beginning on October 20 , 2018 . Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company. This loan was fully repaid during the FY 2022-23

Rupee term loan of Rs.5,000 Lakhs was sanctioned during the financial year 2022-23 with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. The outstanding amount of Rs. 3205.16 lakhs has been prepaid in the month of July 2023 out of QIP funds.

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).

The above rupee term loan got converted in to Foreign Currency Term Loan (FCTL) on 6th December'2021 with interest rate @ 6 Months LIBOR plus 2.25% margin. These Loans are repayable in 18 equal quarterly installments starting from December 2021

These facilities are secured by:

i) First charge on all immovable assets by way of mortgage of land/ leasehold rights and all the buildings present and future.
ii) First charge on all movable fixed assets by way of hypothecation, of all movable fixed assets including movable plant and machinery, machinery, spares, tools and accessories, furniture & fixtures, vehicles, etc. present and future
iii) First charge over
   a) all the rights, titles, interest, benefits, claims & demand whatsoever of the Group and as amended, varied or supplemented from time to time
   b) all the title, interest, benefits, claims and demands whatsoever of the Group in any letter of credit, guarantee, performance bond provided by any party to the Group present or future.
   c) First pari-passu charge on intangibles, goodwill, uncalled capital , present and future
iv) First charge by way of hypothecation over the entire current assets (both present & future)
v) The term loans are additionally secured by personal guarantee given by one of the director of the Group Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

Short term borrowings

During the year YES Bank has renewed Rs.7,500 Lakhs Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. During the year HDFC bank has renewed Rs.14,900 Lakhs of Working cpaital credit facilities. The present rate of interest is 8.25%. to 8.91% per annum.Both the facilities have been availed by the Holding Company

The cash credit limits and working capital demand loan with the banks are secured by:
i) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.
ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.
iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.
iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.
v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.
vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.
vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Holding Company Mr. Manish Dhanuka and one of the director of the ultimate holding company Mr. Mahendra Kumar Dhanuka.

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

48 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders

Gearing Ratio:	March 31, 2024	March 31, 2023
Debt	13,804.42	37,138.46
Less: Cash and bank balances	26,697.64	3,091.28
Net debt	-12,893.22	34,047.18
Total equity	1,45,746.06	89,073.16
Gearing ratio (%)	-8.85%	38.22%

Categories of Financial Instruments	March 31, 2024	March 31, 2023
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	916.82	1,024.68
Trade receivables	33,088.11	29,988.15
Cash and cash equivalents	383.31	2,273.71
Bank balances other than above	26,314.33	817.57
Other financial assets	450.71	16.01
Investments	4,402.91	3,045.48
b. Mandatorily measured at FVTOCI		
Investments	889.79	461.75
c. Mandatorily measured at FVTPL		
Investments	1.61	1.61
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	1,553.71	4,050.57
Borrowings (current)	12,250.71	33,087.89
Trade payables	36,580.37	29,327.84

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.

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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:

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	139.21	-	139.21	322.95	-	322.95	183.74
EUR	2.05	-	2.05	2.80	-	2.80	0.75
Others	2.14		2.14	0.01	-	0.01	(2.13)
In INR	11,750.01	-	11,750.01	25,694.50	-	25,694.50	13,944.49

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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

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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.

Credit risk management
Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables
The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits
Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures
Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management
Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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

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.

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	36,580.37	-	-	36,580.37
Lease Liabilities	33.33	37.00	-	70.33
Borrowings (including interest accrued thereon upto the reporting date)	5,208.50	2,558.20	6,037.72	13,804.42
	41,822.20	**2,595.20**	**6,037.72**	**50,455.12**

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	29,327.84	-	-	29,327.84
Borrowings (including interest accrued thereon upto the reporting date)	24,583.32	6,517.42	6,037.72	37,138.46
	53,911.16	**6,517.42**	**6,037.72**	**66,466.30**

	March 31, 2024	March 31, 2023
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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

49 Related party disclosure

a) List of parties having significant influence

Subsidiary Company	Orchid Pharma Limited
Subsidiary of Orchid Pharma	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 Orchid Bio - Pharma Limited
Key management personnel (KMP)	Mr. Manish Dhanuka (Managing Director) Mr. Arjun Dhanuka (Whole time Director) Mr. Sunil Gupta (CFO, Resigned on May 16, 2023) Mr. Pramod Kumar Singh (CFO, Appointed w.e.f. May 16, 2023) Mr. Vikas (Company Secretary, Appointed w.e.f. February 20,2024) Ms. Preeti (Company Secretary, Appointed w.e.f. March 26, 2024)
Relatives of KMP	Mrs. Seema Dhanuka (Wife of Manish Dhanuka) Mrs. Mamta Dhanuka (Mother of of Arjun Dhanuka) Mrs. Varsha Goel (Sister of Arjun Dhanuka) Mr. Arun Kr. Dhanuka (Director, Brother of Manish Dhanuka), died on January 30,2023 Mr. Arun Kr. Dhanuka (Director. Father of Arjun Dhanuka), died on January 30,2023
Entities in which relatives of KMP exercise significant influence	Dhanuka Agritech Limited (Enterprises over which KMP and their relatives have significant influence) Otsuka Chemical (India) Private Limted (Enterprises over which KMP and their relatives have significant influence) Synmedic Laboratories (98%) Parnership Firm

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
1	Unsecured Loan Taken		
	Mr. Manish Dhanuka	-	220.00
	Mr. Arjun Dhanuka	210.50	-
	Mrs. Seema Dhanuka	-	30.00
	Mrs. Mamta Dhanuka	71.03	-
	Mrs Varsha Goel	300.00	-
	Dhanuka Agritech Limited	1,500.00	2,000.00
2	Unsecured Loan Repaid		
	Mr. Manish Dhanuka	597.00	809.41
	Mr. Arjun Dhanuka	417.00	220.00
	Mrs. Seema Dhanuka	289.00	190.00
	Mr. Arun Kumar Dhanuka	371.03	207.47
	Mrs. Mamta Dhanuka	71.03	-
	Mrs. Varsha Goel	300.00	-
	Dhanuka Agritech Limited	-	2,000.00
3	Interest Paid		
	Mr. Manish Dhanuka	52.01	94.44
	Mr. Arjun Dhanuka	26.85	51.91
	Mrs. Seema Dhanuka	35.21	47.10
	Mr. Arun Kr..Dhanuka	-	35.42
	Mrs. Mamta Dhanuka	1.78	-
	Mrs. Varsha Goel	7.52	-
	Dhanuka Agritech Limited	100.08	90.58

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S.No.	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
4	Sale of goods		
	Otsuka Chemical (India) Private limited	1,287.75	852.95
	Synmedic Laboratories	325.27	212.85
	Dhanuka Agritech Limited	-	30.50
5	Purchase of Goods		
	Otsuka Chemical (India) Private limited	35,062.66	13,115.12
	Synmedic Laboratories	24.02	109.38
	Dhanuka Agritech Limited	0.83	0.09
6	Purchase of Land and buildings		
	Synmedic Laboratories	-	1,971.62
7	Rental deposit paid		
	Dhanuka Agritech Limited	-	19.10
8	Lease rentals for Land and buildings		
	Synmedic Laboratories	118.75	-
9	Job Works Charges Receied		
	Otsuka Chemical (India) Private limited	-	31.37
10	Rent Received		
	Synmedic Laboratories	-	0.24
11	Dividend Received		
	Otsuka Chemical (India) Private limited	0.01	0.06
12	Remuneration and contribution to funds		
	Mr. Manish Dhanuka	355.10	118.11
	Mr. Mridul Dhanuka	355.10	118.11
	Mr. Arjun Dhanuka	40.99	40.99
	Mr. Sunil Gupta	54.83	29.68
	Mr. Pavitra Mishra	-	1.75
	Mr. Pramod Singh	15.96	-
	Ms. Preeti	0.09	-
	Mr. Vikas	3.56	1.11

c) Balances at the end of the year

S.No.	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
1	Sundry Debtors		
	Dhanuka Agritech Limited	-	30.50
	Synmedic Laboratories	-	75.62
2	Sundry Creditors		
	Otsuka Chemical (India) Private limited	11,215.74	6,628.41
	Synmedic Laboratories	0.63	-
3	Unsecured Loans		
	Mr. Manish Dhanuka	367.28	964.28
	Mr. Arjun Dhanuka	388.10	594.60
	Mrs. Seema Dhanuka	291.20	580.20
	Mr. Arun Kr..Dhanuka	-	371.03
	Dhanuka Agritech Limited	1,500.00	-
4	Interest Accrued on Loans		
	Mr Manish Dhanuka	17.47	39.34
	Mr. Arjun Dhanuka	11.95	21.78
	Mrs. Seema Dhanuka	12.65	19.83
	Mr. Arun Kr..Dhanuka	-	14.32
5	Advance Received from Customer		
	Otsuka Chemcials Pvt. Ltd.	0.66	-

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

50 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	7.49% p.a. (Indicative G.Sec referenced on 31-03-2022)	7.49% p.a. (Indicative G.Sec referenced on 31-03-2022)
Rate of increase in	7.00%	7.00%
Retirement Age	60 & 64 years	60 & 64 years
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

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.

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Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2024 Rs. Lakhs	March 31, 2023 Rs. Lakhs
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 Benefit Obligation at the Beginning of the Period	1,978.94	1,808.54
Current Service Cost	111.80	113.82
Interest Cost	130.69	136.05
Past Service Cost	-	-
Benefit Paid From the Fund	(121.53)	(119.74)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations -	56.71	73.58
Due to Change in Demographic Assumptions	-	
Due to Change in Financial Assumptions	7.91	(5.21)
Due to Experience	(11.42)	(28.10)
Present Value of Benefit Obligation at the End of the Period	**2,153.10**	**1,978.94**
Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	708.18	745.75
Interest Income	15.68	29.83
(Benefit Paid from the Fund)	(97.33)	(111.27)
Actuarial gains/(loss)	(12.55)	42.16
Return on Plan Assets, Excluding Interest Income	1,304.17	1.71
Fair Value of Plan Assets at the End of the Period	**1,918.15**	**708.18**
Present value of defined benefit obligation	2,153.10	1,978.94
Fair value of plan assets	(1,918.15)	(708.18)
Net liability/ (asset) arising from defined benefit obligation	**234.95**	**1,270.76**
Funded	234.95	1,270.76
Unfunded	-	-
	234.95	**1,270.76**
Current Liability	280.10	299.41
Non - Current Liability	-	1,011.32

Since the value of planned assets is greater than present value of obligation as on reporting period, the Company has not created any liability in the books of accounts in case of holding company.

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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

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- leave encashment' (long-term provisions) [Refer note 21] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 25].

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

51 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,602.23	37.16	-	-	1,639.39
(ii) Projects temporarily suspended	-	-	-	-	-
	1,602.23	37.16	-	-	1,639.39

Note: The Group do not have any projects whose activity has been suspended.

Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	3,667.92	242.87	1.57	733.98	4,646.34
(ii) Projects temporarily suspended	-	-	-	-	-
	3,667.92	242.87	1.57	733.98	4,646.34

Note: The Group do not have any projects whose activity has been suspended.

(b) Ageing Schedule of Intangible assets under development :

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,427.77	-	-	-	1,427.77
(ii) Projects temporarily suspended	-	-	-	-	-
	1,427.77	-	-	-	1,427.77

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

(c) Completion Schedule for Capital Work-in-Progress whose completion is overdue

As at March 31, 2024

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-
	-	-	-	-	-

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-
	-	-	-	-	-

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

(d) Ageing Schedule of Trade Receivables
As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	24,476.14	7,967.43	22.92	0.65	2.15	1.15	32,470.44
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	4,705.97	4,705.97
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	259.61	259.61
	24,476.14	7,967.43	22.92	0.65	2.15	4,966.73	37,436.02
Less: Expected Credit Loss Allowance							(4,347.91)
Net Trade Receivables							33,088.11

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As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	22,185.48	7,470.94	0.46	2.07	0.34	0.21	29,659.50
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	348.00	4,095.46	4,443.46
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	259.61	259.61
	22,185.48	7,470.94	0.46	2.07	348.34	4,355.28	34,362.57
Less: Expected Credit Loss Allowance							(4,374.42)
Net Trade Receivables							29,988.15

(e) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i). MSME	1,170.40	132.61	3.97	0.08	0.40	1,307.46
(ii) Others	17,756.19	10,282.23	316.41	163.39	5,245.41	33,763.63
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	1,509.28	-	-	-	-	1,509.28
	20,435.87	10,414.84	320.38	163.47	5,245.81	36,580.37
As at March 31, 2023						
(i). MSME	96.91	621.38	12.93	1.14	21.87	754.23
(ii) Others	8,225.69	13,702.53	218.53	180.85	5,145.26	27,472.86
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	1,035.91	58.70	6.14	-	-	1,100.75
	9,358.51	14,382.61	237.60	181.99	5,167.13	29,327.84

(f) **Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder**

There are no proceedings initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(g) **Borrowings from banks**

The Group is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(h) **Relationship with Struck off Companies**

The Group did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Group.

(i) **Compliance with number of layers of companies**

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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

(j) Key Financial Ratios

Particulars	Unit of Measurement	March 31, 2024	March 31, 2023	Variation in %
Current Ratio	In multiple	2.14	1.26	**70%**
Debt-Equity Ratio	In multiple	0.01	0.09	**88%**
Debt Service Coverage Ratio	In multiple	1.03	0.75	**37%**
Return on Equity Ratio	In %	15.3%	5.1%	**201%**
Inventory Turnover Ratio	In Days	106.00	113.00	**(6%)**
Trade receivables Turnover Ratio	In Days	84.00	99.00	**(15%)**
Trade payables Turnover Ratio	In Days	88.00	97.00	**(9%)**
Net Capital Turnover Ratio	In Days	102.00	115.00	**(11%)**
Net Profit Ratio	In %	13.1%	4.1%	**221%**
Return on Capital Employed	In %	9.56%	4.27%	**124%**
Return on Investment (Assets)	In %	10%	3%	**253%**

Formula adopted for above Ratios:
Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current
Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade
Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Reasons for Variation if more than 25%

Current Ratio
During the year, company sold its investments, resulting into surplus cash which is invested in term deposits maturing in short term.

Debt equity ratio
Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has improved.

Debt Service Coverage Ratio
Major portion of the term loans have been repaid during the year and accordingly, the interest cost reduced significantly, resulting in improved ratio.

Return on Equity Ratio
Due to significant increase in other income from sale of investments in current year, EBITDA of current year increased significantly. As this transaction is not of recurring nature, there's significantly increase in said ratio in current year.

Net Profit Ratio
Due to significant increase in other income from sale of investments in current year, EBITDA of current year increased significantly. As this transaction is not of recurring nature, there's significantly increase in said ratio in current year.

Return on Capital Employed
Due to significant increase in other income from sale of investments in current year, EBITDA of current year increased significantly. As this transaction is not of recurring nature, there's significantly increase in said ratio in current year

Return on Investment (Assets)
Due to significant increase in other income from sale of investments in current year, EBITDA of current year increased significantly. As this transaction is not of recurring nature, there's significantly increase in said ratio in current year.

(k) Scheme of arrangements
There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

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(l) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(m) Undisclosed Income

The Group do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act 1961 during any of the years.

(n) Details of Crypto Currency or Virtual Currency

The Group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

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Dhanuka Laboratories Limited
Statutory Audit for the year ended March 31, 2024
Ratio Workings

1. Current Ratio

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)

Particulars	Mar-24	Mar-23
Current Assets	1,12,443.62	75,248.54
Total Current Liabilities	52,516.60	63,648.16
Security Deposits payable on Demand	-	-
Current maturities of Long Term Debt	1.92	4,155.76
Ratio	2.14	1.26

2. Debt - Equity Ratio

Debt Equity Ratio = Total Debt / Total Equity

Particulars	Mar-24	Mar-23
Total Debt	1,555.63	8,206.33
Total Equity	1,45,746.06	89,073.15
Ratio	0.01	0.09

3. Debt Service Coverage Ratio

Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)

Particulars	Mar-24	Mar-23
Profit before Tax	19,482.92	5,196.63
Add: Finance Costs	1,785.35	3,508.82
Add: Depreciation	4,054.74	6,197.76
EBITDA	25,323.01	14,903.21
Less: Current Tax	1,632.90	(69.35)
EBITDA - Curent Tax	23,690.11	14,972.56
Principal repayment of Loans	22,899.79	18,553.24
Gross interest on Loans	93.66	1,470.49
Total	22,993.45	20,023.73
Ratio	1.03	0.75

4. Return on Equity Ratio

Return on Equity Ratio = Total Comprehensive Income / Average Total Equity

Particulars	Mar-24	Mar-23
Total Comprehensive Income	17,906.42	4,417.79
Average Equity	1,17,409.61	87,107.78
Ratio	15.3%	5.1%

5. Inventory Turnover Ratio

Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)

Particulars	Mar-24	Mar-23
Revenuue from Operations	1,36,543.90	1,08,375.79
Average Inventories	39,825.23	33,552.00
Ratio	3.43	3.23
Ratio in Days	106	113

6. Trade Receivable Turnover Ratio

Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)

Particulars	Mar-24	Mar-23
Revenuue from Operations	1,36,543.90	1,08,375.79
Average Trade receivables	31,538.13	29,424.62
Ratio	4.33	3.68
Ratio in Days	84	99

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7. Trade Payables Turnover Ratio

Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)

Particulars	Mar-24	Mar-23
Revenue from Operations	1,36,543.90	1,08,375.79
Average Trade Payables	32,954.11	28,837.40
Ratio	4.14	3.76
Ratio in Days	88	97

8. Net Capital Turnover Ratio

Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)

Particulars	Mar-24	Mar-23
Inventory Turnover ratio	106	113
Trade receivables turnover ratio	84	99
Trade Payables Turnover ratio	88	97
Ratio	102	115

9. Net Profit Ratio

Net Profit Ratio = Net Profit / Net Revenue

Particulars	Mar-24	Mar-23
Net Profit	17,940.14	4,435.67
Net Revenue	1,36,543.90	1,08,375.79
Ratio	13.14%	4.09%

10. Return on Capital Employed

Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))

Particulars	Mar-24	Mar-23
Total Comprehensive Income	17,906.42	4,417.79
Finance Costs	1,785.35	3,508.82
Total Comprehensive Income + Interest	19,691.77	7,926.61
Opening Equity	89,073.15	85,142.41
Opening Debt	37,138.46	37,264.56
Closing Equity	1,45,746.06	89,073.15
Closing Debt	13,804.42	37,138.46
Average of Equity and Debt	2,05,986.85	1,85,512.78
Ratio	9.56%	4.27%

11. Return on Investment (Assets)

Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Particulars	Mar-24	Mar-23
Total Comprehensive Income	17,906.42	4,417.79
Average Total Assets	1,80,401.79	1,57,401.37
Ratio	9.93%	2.81%

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Dhanuka Laboratories Limited

Preeti

Pramod

52 Discontinuing operations

During the previous year, the Company has completed the sale of Orchid Towers which is previously classified as disposal group as per Ind AS 105. Accordingly the gain of Rs. 3921.04 lacs has been disclosed in exceptional items in profit and loss account.

During the year 2021-22 the Group had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the previous year the related working capital adjustment as per the Sale Agreement was finalised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations .

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

	As at March 31, 2024	As at March 31, 2023
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	-
Other Current Liabilities	-	-
Total liabilities	-	-
Assets		
Property, Plant and Equipment (PPE)	-	-
Intangible Assets	-	-
Capital Work in Progress	-	-
Intangible under development	-	-
Non Current Financial Assets	-	-
Current Financial Assets	-	-
Other current assets	-	-
Total Assets	-	-
Net Assets/ (Liabilities)	-	-

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue		
Revenue from operations (Net)	-	-
Other Income		(105.81)
Total revenue (a)	-	(105.81)
Expenses		
Cost of materials consumed		
Changes in inventories of work-in-progress, stock in trade and finished goods		
Employee benefits expense		
Depreciation and amortization expense		-
Other expenses		571.70
Total expenses (b)	-	571.70
(Profit /Loss) before exceptional item and tax (a-b) = (c)	-	(677.51)
Less : Exceptional item	-	-
Loss before tax	-	(677.51)
Tax expenses	-	-
Loss from discontinuing operations	-	(677.51)

As required by Ind AS 105, the Group re-presented the disclosures for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

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

53 Enterprises consolidated as Subsidiary in accordance with Ind AS 110 - Consolidated Financial Statements

Name of enterprise	Country of Incorporation	Proportion of ownership interest
Orchid Pharma Limited	India	69.84%

54 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
Parent								
Dhanuka Laboratories Limited	45.29%	66,003.59	38.04%	6,825.18	0.00%	-	38.12%	6,825.18
Subsidiaries								
Orchid Pharma Limited	30.98%	45,158.75	46.52%	8,345.18	69.84%	(23.55)	46.47%	8,321.63
Non-controlling interest in all entities	23.73%	34,583.72	15.44%	2,779.74	30.16%	(10.17)	15.41%	2,769.57
Total	**100.00%**	**1,45,746.06**	**100.00%**	**17,950.10**	**100.00%**	**(33.72)**	**100.00%**	**11,091.20**

Dhanuka Laboratories Limited

55 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.

56 During the year the Orchid Pharma Limited allotted Equity shares of 99,02,705 fully paid up of face value Rs. 10/- each on 27th June 2023 by way of Qualified Institutional Placement (QIP) whereby proceeds of Rs.39180 Lakhs (Net of Share issue expenses of Rs.805.79 lakhs) was raised. Further, post receipt of Listing Approval and Trading approval dated June 30, 2023, the newly issued shares were available for trading on Stock Exchanges w.e.f. July 03, 2023. As on March 31, 2024, the entire net Proceeds of Rs.39180 Lakhs was received by the Holding Company under the QIP and the Statement of Net funds raised as per Offer document and its utilisation is furnished below :

Particulars	Amount as stated in the Offer Document (Rs. in Lakhs)	Total amount utilised upto March 31, 2024 (Rs. In Lakhs)	Balance amount as on March 31, 2024 kept in Fixed deposits (Rs. In Lakhs)	Remarks
1) Investment in OBPL (subsidiary) for setting up Jammu Manufacturing Facility	9000	412	8588	
2) Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company	14100	14,100.00	-	
3) Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	9982	-	9982	
4) General corporate purposes	6098	512	5860	#
Total	**39180**	15024	24430	

As per the QIP offer document the amount allocated for General Corporate Purpose (GCP) was Rs. 6098 Lakhs which was based on the proposed net proceeds after issue expenses being Rs. 39180 Lakhs. However, net proceeds transferred to Monitoring Account was Rs. 39454 Lakhs as against the proposed Net Proceeds of Rs. 39180 Lakhs, therefore the surplus amount ofRs. 274 Lakhs has been included in the GCP Balance as on 31st March, 2024

57 Due to the restrictions imposed due to Covid'19, the Group could not complete the proposed sale of land and buildings at Orchid Towers as planned. The Group has received quotes from certain parties and is confident of completing the sale during the current year. Accordingly, no change has been made in the classification of the aforesaid assets in the previous year.

58 During the year, the Company recognised adjustments to the provisional amounts considered in the business combination accounting in last year, as if the accounting for the business combination had been completed at the acquisition date. Thus, the Company has revised the comparative information for prior period presented in financial statements as needed. Accordingly, the current year figures may not be fully comparable with that of the previous year.

59 During the previous year the Holding Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

60 Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

61 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

62 No deferred tax assets has been created on carry forward losses as there is no virtual certainty supported by convincing evidence involved in this that the benefits will flow to the entity.

63 The financial statements were approved for issue by the Board of Directors on September 4, 2024.

64 The Group is required to comply with the amendments in Schedule III of Companies Act, 2013 notified on 24-03-2021, with effect from 01-04-2021. Accordingly the Group has complied with the disclosure and presentation requirements as per the aforesaid amendments and reclassified the following items in the previous years, to conform to current year classification.

Nature of reclassification	As at March 31, 2024	As at March 31, 2023	Reason for the reclassification
Hitherto, Current maturities of Long term borrowings was included in Other Current Financial Liabilities. As per the requirement under amendments to Schedule III, the same has been presented under 'Short Term Borrowings' as a separate line and previous year figure has been reclassified	1.92	4,155.76	As required by Amendments to Schedule III to the Companies Act 2013

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258

Place : Noida
Date : 04th Sept, 2024

For and on behalf of the board

Manish Dhanuka
Director
DIN : 00238798
Place : Gurugram
Date : 04th Sept, 2024

Arjun Dhanuka
Director
DIN : 00454689
Place : Gurugram
Date : 04th Sept, 2024

CA Pramod Kumar Singh
CFO
Place : Gurugram
Date : 04th Sept, 2024

CS Preeti
Company Secretary
Place : Gurugram
Date : 04th Sept, 2024

Singhi & Co.
Chartered Accountants

Unit-11-D, 11th Floor, Ega Trade Centre, 809, Poonamallee High Road, Kilpauk, Chennai- 600 010, India,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Orchid Pharma Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Orchid Pharma Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act"") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matter:

Note 42 to the financial statements relating to the fact that the Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Company disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to Rs.3,871.68 Lakhs unto March 31, 2024 in respect of the aforesaid lease. The same has been treated as contingent liability in the Standalone financial statements of the company.

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

Our opinion on the standalone financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. 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.

For the matter stated below, our description of how our audit addressed the matter is provided in that context.

Key audit matter	**How our audit addressed the key audit matter**
1. Revenue Recognition (Refer Note 3 (c) and 30 to the Standalone financial Statements)	
Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Company, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred.	As part of our audit procedures, we: ➢ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ➢ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. ➢ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. ➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the financial statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 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.

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Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      (i). The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;
      (ii). The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
      (iii). There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or

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otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The company has neither declared or paid any dividends during the year and accordingly reporting on compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

(vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 24204936BKGEAQ1396

Date: May 23, 2024
Place: Mumbai

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Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2024

(Referred to in paragraph 1 of our Report on Other legal and regulatory requirements)

We report that:

i. In respect of its Property Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, the Company has a regular program of conducting physical verification of its property, plant and equipment in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

c) According to the information and explanations given to us and on the basis of our examination of the conveyance deeds provided to us, we report that, the title deeds of immovable properties (other than self - constructed immovable property (buildings), and where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company

ii. In respect of its Inventories:

a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods, Traded Goods and by products (other than inventories lying with third parties), and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

b) Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed in excess of Rs. five Crore from banks or

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financial institutions during the year on the basis of security of current assets of the Company, the Quarterly return / statements which have been regularly submitted by the company are in agreement with the books of accounts, except in the following cases:

Quarter ended	As per financials (Rs. in Lakhs)	As per returns filed with banks (Rs. in Lakhs)	Variance (Rs. in Lakhs)	Reasons for variance
June 30, 2023	20011.71	19297.30	714.41	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock of INR 475..55 lakhs.

iii.

a) According to the information and explanations provided to us, the Company has granted a loan of Rs.766.44 lakhs (including accrued interest) to its subsidiary company during the year and the company has made investments in the equity shares of a subsidiary company amounting to Rs.1499.90 lakhs. The Closing balance outstanding of Loans advanced to the subsidiary amounted to Rs.788.97 Lakhs.

b) The loan given and investments made are, in our opinion, prima facie, not prejudicial to the company's interest. The Company has not provided any guarantee or security or granted loans or advances in the nature of loans during the year. The loans given to subsidiaries and other parties during the pre- CIRP period have been fully provided for.

c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipt of principal amount and interest have been regular as per stipulations.

d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than 90 days as at the year end.

e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the said parties.

f) During the year, the Company has not granted any loans or advances in the nature of loans, which are either repayable on demand or without specifying any terms or period of repayment. Therefore, provisions of clause 3(iii)(f) of the Order is not applicable to the Company

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the loans given and investments made. The Company has not provided any guarantee or security during the year. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

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v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

vi. We have broadly reviewed the cost records maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

a) the Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There were no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.

b) No undisputed amounts payable in respect of goods and service tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31,2024 for a period of more than six months form the date they become payable.

c) According to the information and explanations given to us and as confirmed by the Resolution Professional (RP) and the Successful Resolution Applicant, in view of the implementation of the resolution plan as approved by the Hon'ble National company Law Tribunal (based on the order of the Hon'ble Supreme Court of India), except to the extent of payment to the stakeholders as per the approved Resolution Plan, the Company shall have no liability with respect to any claims relating in any manner to the period prior to "the effective date" i.e. Pre Corporate Insolvency Resolution Process period (pre-CIRP period). We were informed that to the extent of claims raised (pertaining to the Pre-CIRP period) by various statutory authorities and approved by the RP have been fully paid as part of the approved resolution plan. Accordingly, all other pending litigations relating to Pre-CIRP period are deemed to be extinguished as at March 31,2020, i.e., the date of implementation of the approved resolution plan. Accordingly, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited as at March 31,2024 on account of dispute.

viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

ix.

a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

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c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans availed were applied for the purpose for which they were availed. Further the Company has not availed any loans from Government or has not issued any debenture during the year.

d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.

e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised funds by way of Qualified Institutional placement (QIP) during the year. The amounts raised have been partly utilized for the purposes for which the funds were raised and the remaining amount unutilized as at the year end has been temporarily deposited in a separate term deposit account pending its utilisation for the purposes for which it was raised. Refer Note 53 to the standalone financial statements for the details of funds raised and the status of its utilization.

b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

xi.

a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.

b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act,2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as

SINGHI & CO. Chartered Accountants

required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.

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

xvi.

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.Accordingly, paragraph 3 (xvi)(a) of the Order is not applicable to the Company.

b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;

c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;

d) According to the representations given by the management, the Company does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of Corporate Social Responsibility Expenditure:

According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, paragraph 3(xx) of the order is not applicable.

SINGHI & CO. * Chartered Accountants *

xxi. There are no qualifications or adverse remarks by the auditor in the Companies (Auditors Report) Order (CARO) report of a subsidiary included in the consolidated financial statements. Further, according to the information and explanations given to us, the financial statements of the other subsidiaries and an associate included in the consolidated financial statements are unaudited and as prepared by the management. Accordingly, the requirement to report on paragraph 3(xxi) of the Order is not applicable to the Holding company.

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

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 24204936BKGEAQ1396

Date: May 23, 2024
Place: Mumbai

SINGHI & CO. ★ Chartered Accountants ★

Annexure – B to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2024

(Referred to in paragraph 2 (f) of our Report on Other legal and regulatory requirements)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. We have audited the internal financial controls over financial reporting of **Orchid Pharma Limited** ('the Company') as of and for the year ended March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

   In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

SINGHI & CO. * Chartered Accountants *

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 24204936BKGEAQ1396

Date: May 23, 2024
Place: Mumbai

SINGHI & CO. * Chartered Accountants *

Orchid Pharma Limited

Balance Sheet as at March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	61,512.13	57,267.07
Intangible assets	4	64.08	38.57
Capital work in progress	5	1,018.27	4,609.18
Intangible assets under development	5	1,427.77	-
Right of use assets	4	66.91	-
Financial assets			
Investments	6	6,939.79	5,011.85
Other financial assets	7	596.37	687.48
Non Current tax assets (net)	8	5,130.15	5,130.15
Other non current assets	9	235.89	202.11
Total non-current assets		**76,991.36**	**72,946.41**
Current assets			
Inventories	10	26,422.61	22,873.80
Financial assets			
Investments	11	-	-
Trade receivables	12	18,937.04	21,190.73
Cash and cash equivalents	13	29.47	1,830.77
Bank balances other than above	14	25,693.26	402.91
Loans to Subsidiaries	15	788.97	469.72
Other financial assets	16	434.68	0.13
Current tax assets (net)	17	168.93	95.37
Other current assets	18	5,754.09	2,515.95
Total current assets		**78,229.05**	**49,379.38**
Total Assets		**1,55,220.41**	**1,22,325.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	5,071.91	4,081.64
Other equity	20	1,16,759.79	69,114.62
Total equity		**1,21,831.70**	**73,196.26**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	12,020.91	14,883.76
Lease Liabilities	22	37.00	-
Provisions	23	363.37	1,260.18
Deferred Tax Liability (Net)	24	-	322.62
Total non-current liabilities		**12,421.28**	**16,466.56**
Current liabilities			
Financial liabilities			
Borrowings	25	1,404.75	18,250.81
Lease Liabilities	26	33.33	-
Trade payables	27		
- Outstanding Dues of Micro and Small Enterprises		866.53	158.44
- Outstanding Dues of Creditors other than Micro and Small Enterprises		17,072.35	12,752.17
Short term provisions	28	208.47	348.60
Other current liabilities	29	1,382.00	1,152.95
Total current liabilities		**20,967.43**	**32,662.97**
Total Liabilities		**33,388.71**	**49,129.53**
Total Equity and Liabilities		**1,55,220.41**	**1,22,325.79**
Material Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 23, 2024

Kapil Dayya
Company Secretary

ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited

Statement of profit and loss for the year ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Continuing Operations			
A Income			
Revenue from operations	30	81,936.82	66,589.84
Other income	31	3,038.94	1,943.05
Total income		**84,975.76**	**68,532.89**
B Expenses			
Cost of materials consumed	32	52,835.31	40,609.61
Changes in inventories of finished goods and WIP	33	(4,389.40)	(2,147.54)
Employee Benefits Expense	34	6,964.17	6,535.04
Depreciation and amortisation expense	35	3,321.90	5,478.68
Finance costs	36	1,632.75	3,222.57
Other expenses	37	15,458.70	13,230.88
Total expenses		**75,823.43**	**66,929.24**
C Profit / (Loss) before exceptional items and tax		**9,152.33**	**1,603.65**
Exceptional items - Income / (Expenses) (Refer Note 54)		-	3,921.04
D Profit / (Loss) before tax from continuing operations		9,152.33	5,524.69
Income tax expense			
Current tax		-	-
Deferred tax charge/ (credit)	38	(322.62)	-
Profit / (Loss) after tax from continuing operations		**9,474.95**	**5,524.69**
Discontinuing Operations			
E Profit / (Loss) for the year from discontinued operations		-	(105.81)
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations after tax		-	**(105.81)**
F Profit /(Loss) for the year		**9,474.95**	**5,418.88**
G Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of post employment benefit obligations		(45.06)	(23.28)
Gain/ (Loss) on fair valuation of investments		11.34	5.40
Income tax (charge)/ credit relating to these items		-	-
Other comprehensive income for the year, net of tax		**(33.72)**	**(17.88)**
Total comprehensive Profit/ (loss) for the year		**9,441.23**	**5,401.00**
Earnings per share	39		
Earnings per equity share (For continuing operations):			
- Basic (Rs.)		19.59	13.54
- Diluted (Rs.)		19.59	13.54
Earnings per equity share (For discontinued operations) :			
- Basic (Rs.)		-	(0.26)
- Diluted (Rs.)		-	(0.26)
Earnings per equity share (For discontinued & continuing operations) :			
- Basic (Rs.)		19.59	13.28
- Diluted (Rs.)		19.59	13.28
Material Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 23, 2024

Kapil Dayya
Company Secretary

SINGHI & CO. Chartered Accountants

ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited

Statement of cash flows for the year ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit/ (loss) before income tax	9,152.33	5,418.88
Adjustments for		
Depreciation and amortisation expense of continuing operations	3,321.90	5,478.68
(Profit)/ loss on sale of fixed assets (Net) (including Exceptional item)	-	(3,998.50)
Loss on sale/ discard of property, plant and equipment	18.84	-
Advances / Debit balances written off (Net)	46.27	-
Interest income	(1,587.47)	(61.80)
Forex Gain/ (Loss) Unrealised	762.64	651.48
Allowance for expected credit loss	(26.51)	118.83
Finance costs	1,632.75	3,222.57
(Profit) / loss on sale of investments	-	(1.54)
	13,320.75	10,828.60
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(228.14)	(681.15)
(Increase)/ decrease in Inventories	(3,548.81)	(5,608.17)
(Increase)/ decrease in Trade Receivables	2,540.21	(4,870.12)
(Increase)/ decrease in Other assets	(3,318.19)	721.40
Increase/ (decrease) in Provisions and other liabilities	(759.34)	(581.61)
Increase/ (decrease) in Trade payables	4,992.52	1,559.78
Cash generated from operations	**12,999.00**	**1,368.73**
Less : Income taxes paid/ (refund received)	73.58	(29.85)
Net cash from operating activities (A)	**13,072.58**	**1,338.88**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(5,515.25)	(8,455.30)
Sale proceeds of Property, plant and equipment	-	93.55
Net Sale proceeds of Land & Buildings	-	5,761.00
(Purchase)/ disposal proceeds of Investments (net)	(1,927.94)	(103.56)
(Investments in)/ Maturity of fixed deposits with banks	(25,290.35)	(27.27)
Interest received	1,152.92	61.81
Net cash used in investing activities (B)	**(31,580.62)**	**(2,669.77)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share issue expenses)	39,194.21	-
Proceeds / (Repayment) of Short term Borrowings (net)	-	17,319.84
Repayment of Long term Borrowings (net)	(20,854.72)	(10,980.63)
Finance costs	(1,632.75)	(3,222.57)
Net cash from/ (used in) financing activities (C)	**16,706.74**	**3,116.64**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,801.30)**	**1,785.75**
Cash and cash equivalents at the beginning of the financial year	1,830.77	45.02
Cash and cash equivalents at end of the year	**29.47**	**1,830.77**

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	27.65	1,830.11
Cash on hand	1.82	0.66
	29.47	**1,830.77**

3. Reconciliation of Liabilities arising from financing activiities

Particulars	Outstanding as at 1st April, 2023	Cash Flows	Non-Cash Changes	Outstanding as at 31 March, 2024
Long Term Borrowings	19039.52	(8,164.42)	1145.81	12020.91
Short Term Borrowings	14095.05	(12,690.30)		1404.75
Total Liabilities from financing activities	**33134.57**	**(20,854.72)**	**1145.81**	**13425.66**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 23, 2024

Kapil Dayya
Company Secretary

ORCHID PHARMA LIMITED Chengalpattu

SINGHI & CO. Chartered Accountants

Orchid Pharma Limited

Statement of Changes In Equity for the period ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

(A) Equity Share Capital

Balance at the end of March 31, 2022	4,081.64
Changes in equity share capital due to prior period errors	
Changes in equity share capital during the year	-
Balance at the end of March 31, 2023	4,081.64
Changes in equity share capital due to prior period errors	
Changes in equity share capital during the year	990.27
Balance at the end of March 31, 2024	5,071.91

(B) Other Equity

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as at March 31, 2022	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	(9.69)	(2,13,663.78)	63,713.62
Total Comprehensive Income for the year						(17.88)	5,418.88	5,401.00
Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 1, 2022	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	(27.57)	(2,08,244.90)	69,114.62
Additions/ (deductions) during the year	-	-	-	-	-	23.28	(23.28)	-
Balance as at March 31, 2023	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	(4.29)	(2,08,268.18)	69,114.62
Total Comprehensive Income for the year						(33.72)	9,474.95	9,441.23
Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2024	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	(38.01)	(1,98,793.23)	78,555.85
Additions/ (deductions) during the year (net)						45.06	(45.06)	-
Shares allotted during the year (QIP) (Refer Note 53)	-	-	38,203.94	-	-	-	-	38,203.94
Balance as at March 31, 2024	5,105.69	1,63,125.58	84,651.80	6,856.06	55,851.90	7.05	(1,98,838.29)	1,16,759.79

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Singhi & Co.,

Chartered Accountants

Firm Registration No. 302049E

Sudesh Choraria

Partner

Membership No. 204936

Place : Mumbai

Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer

Kapil Dayya
Company Secretary

Place : Gurgaon

Date: May 23, 2024

1 Corporate Information

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

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

Pursuant to the order of the Hon'ble NCLT, the approved Resolution Plan was implemented during March 2020 and the Board of Directors of the Company was reconstituted on March 31, 2020 based on the nominations from the Resolution Applicant. DLL has also infused the amounts in the Company and settled all the financial and operating creditors of the Company as per the terms of the approved Resolution Plan.

In view of the implementation of the Resolution Plan, the financial statements have been prepared and presented by the Company on a going concern basis.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Board of Directors on May 23, 2024.

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:

ORCHID PHARMA LIMITED Chengalpattu

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

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

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting

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Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

3 Material Accounting Policies

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

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-

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;
ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) **Revenue Recognition**

Sale of goods

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

Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

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

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All 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.

Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is

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reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, whichever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

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

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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 significant delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss

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on the following financial assets and credit risk exposure:

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

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers"

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

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

- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

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Financial liabilities

Initial recognition and measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with Customers".

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

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Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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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.

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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

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

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 significant, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately. Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

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q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Non current assets held for sale and disposal groups

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind ASs

The Company measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Company does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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Orchid Pharma Limited

Notes to the financial statements as at and for the year ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

4 Property, plant and equipment

Particulars	A) Tangible Assets										B) Right to use assets	C) Intangible Assets		
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Buildings	Internally generated DMF and ANDA	Computer Software	Total
Gross Carrying Amount														
As at March 31, 2022	1,228.12	0.61	14,392.71	99,074.75	219.09	9.99	1.59	326.76	1,305.03	1,16,558.65		1,012.92	54.06	1,066.98
Additions	1,373.45	-	3,432.00	46.16	1.81	-	2.26	-	-	4,855.68		14.21	-	14.21
Disposals	(417.44)	-	-	(12.60)	(16.09)	-	-	-	-	(446.13)		(4.78)	-	(4.78)
As at March 31, 2023	2,184.13	0.61	17,824.71	99,108.31	204.81	9.99	3.85	326.76	1,305.03	1,20,968.20	-	1,022.35	54.06	1,076.41
Additions	12.80	-	661.73	6,376.28	152.31	145.40	90.82		-	7,439.34	100.36	-	138.57	138.57
Disposals					(9.95)	(0.45)	(10.09)			(20.49)				
As at March 31, 2024	2,196.93	0.61	18,486.44	1,05,484.59	347.17	154.94	84.58	326.76	1,305.03	1,28,387.05	100.36	1,022.35	192.63	1,214.98
Accumulated Depreciation/ Amortisation														
As at March 31, 2022	-	0.61	3,838.13	53,051.65	166.67	3.69	1.58	143.29	1,021.44	58,227.06		1,012.92	20.33	1,033.25
Charge for the year	-	-	788.90	4,663.58	0.50	-	0.55	15.54	5.00	5,474.07		1.46	3.13	4.59
Disposals	-	-	-	-	-	-	-	-	-					
As at March 31, 2023	-	0.61	4,627.03	57,715.23	167.17	3.69	2.13	158.83	1,026.44	63,701.13	-	1,014.38	23.46	1,037.84
Charge for the year	-	-	806.16	2,337.81	3.91	8.11	8.86	7.00	3.54	3,175.39	33.45	2.55	110.51	113.06
Disposals					(0.48)		(1.12)			(1.60)				
As at March 31, 2024	-	0.61	5,433.19	60,053.04	170.60	11.80	9.87	165.83	1,029.98	66,874.92	33.45	1,016.93	133.97	1,150.90
Net Block														
As at March 31, 2023	2,184.13	-	13,197.68	41,393.08	37.64	6.30	1.72	167.93	278.59	57,267.07	-	7.97	30.60	38.57
As at March 31, 2024	2,196.93	-	13,053.25	45,431.55	176.57	143.14	74.71	160.93	275.05	61,512.13	66.91	5.42	58.66	64.08

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Property, Plant and Equipments in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.

4 The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

(All amounts are INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
5	**A Capital work-in-progress**		
	Property, plant and equipment under development	1,018.27	4,609.18
		1,018.27	**4,609.18**
	Refer Note 49 (a) for information relating to ageing schedule of Capital work in progress		
	Refer Note 49 (c) for information relating to estimated completion schedule of Capital work in progress		
5	**B. Intangible Assets under development**		
	Intangible Assets under development	1,427.77	-
		1,427.77	-
	Refer Note 49 (b) for information relating to ageing schedule of Intangible assets under development		
6	**Non-current investments**		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	Non - Trade		
	i. Investments in Equity Instruments (Quoted)		
	18,600 (PY: 18,600) equity shares of Rs.10 each in Bank of India Ltd, fully paid up	25.27	13.93
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 (PY : 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Pvt.Ltd, fully paid up	60.00	60.00
	42,00,000 (PY: 42,00,000) equity shares of Rs.10 each in Investment in Nellai Renewables Private Limited, fully paid up	420.00	420.00
	41,66,924 (PY: Nil) equity shares of Rs.10 each in Dalavaipuram Renewables Private Ltd. fully paid up	416.70	-
	1,19,568 (PY: 1,19,568) equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up *	23.99	23.99
	8,823 (PY : 8,823) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	Trade		
	iii. Investments in Equity Instruments of Subsidiaries (Unquoted) at cost		
	2,00,000 (PY: 2,00,000) Common Stock of USD. 1 each in Orchid Pharmaceuticals Inc., USA, fully paid up	85.07	85.07
	99,99,990 (PY 99,99,990) Series A & 48,93,750 (PY: 48,93,750) Series B Convertible Preferred Stock par value USD 0.001 per share and 9,001,090 (PY: 9,001,090) Common stock of par value USD 0.001 per share in Bexel Pharmaceutical Inc. **	8,883.24	8,883.24
	1,10,00,000 (PY: 1,10,00,000) Common stock of Par value of USD 0.125 per share in Bexel Pharmaceutical Inc.	599.09	599.09
	303,639 (PY: 303,639) Ordinary shares each and 1 in Orchid Pharmaceuticals SA (Proprietary) Limited. South Africa, fully paid up (ceased w.e.f 31.01.2024) #	17.69	17.69
	7,140,378 (PY: 7,140,378) Series A Preferred stock & 3,22,986 (PY: 3,22,986) Common stock par value of 0.83595 USD per share in Diakron Pharmaceuticals, Inc. USA	2,825.01	2,825.01
	1,50,00,000 (PY: 1000) Equity shares of Rs. 10 each in Orchid BioPharma Ltd (including shares held by its nominees)	1,500.00	0.10

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(All amounts are INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
	iv. Investments in Equity Instruments of Associate (Unquoted) at cost		
	4,55,00,000 (PY: 4,55,00,000) equity share of Rs.10 /- each in Orbion Pharmaceuticals Private Limited	4,550.00	4,550.00
		19,409.89	17,481.95
	Less: Provision for diminution in fair value of investments	(12,470.10)	(12,470.10)
	Total non-current investments	**6,939.79**	**5,011.85**
	Aggregate value of quoted investments	25.27	13.93
	Aggregate market value of quoted investments	25.27	13.93
	Aggregate value of unquoted investments	19,384.62	17,468.02
	Aggregate amount of impairment in value of investments	12,470.10	12,470.10

** 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.

Orchid Pharmaceuticals SA (Proprietary) Limited. South Africa has been wound up on 31st January 2024. The Investment has already been fully provided for, but the same is yet to be written off pending approval of RBI

7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Security deposits for electricity and power	504.71	620.05
	Fixed deposits with banks (with original maturity after 12 month from the reporting date)	1.58	-
	Other Deposits	90.08	67.43
	(Unsecured, considered doubtful)		
	Loans to subsidiaries	5,229.36	5,229.36
	Others	202.66	202.66
	Less : Provision for expected credit loss	(5,432.02)	(5,432.02)
		596.37	**687.48**

Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

8	**Non Current tax assets**		
	Advance income tax (net of provision for tax)	5,130.15	5,130.15
		5,130.15	**5,130.15**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	235.89	202.11
	(Unsecured, considered doubtful)		
	Advances to suppliers	-	15,333.30
		235.89	15,535.41
	Less: Provision for expected credit loss	-	(15,333.30)
		235.89	**202.11**

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(All amounts are INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023

Note : The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to suppliers during the pre-CIRP period have been fully provided for. During current year these Advances has been adjusted against the provision by the management.

		As at March 31, 2024	As at March 31, 2023
10	**Inventories**		
	Raw Materials	6,601.01	7,588.65
	Intermediates & Work-in-progress	11,486.56	7,745.00
	Finished Goods	7,442.50	6,794.66
	Stores and Spare parts	313.06	133.88
	Chemicals and Consumables	289.89	212.54
	Packing Materials	289.59	399.07
		26,422.61	**22,873.80**
11	**Current Investments**		
	Fair valued through profit and loss		
	Investment in Mutual Funds	-	-
		-	-
12	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	18,937.04	21,190.73
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	8,187.19	8,213.70
		27,124.23	29,404.43
	Less: Allowance for expected credit loss	(8,187.19)	(8,213.70)
		18,937.04	**21,190.73**

Note:
Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 47 relating to amounts receivable from related parties.

Refer Note 46 for information about risk profile of Trade Receivables under Financial Risk Management.

Refer Note 49 (d) for the ageing schedule of Trade Receivables.

		As at March 31, 2024	As at March 31, 2023
13	**Cash and cash equivalents**		
	Cash on hand	1.82	0.66
	Balances with banks		
	In current accounts	27.65	1,830.11
		29.47	**1,830.77**

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		As at March 31, 2024	As at March 31, 2023
14	**Other Bank Balances**		
	In term deposits with banks (with original maturity within 12 months from the reporting date)	1.46	1.46
	In earmarked accounts		
	In term deposits with banks * (with original maturity within 12 months from the reporting date)	25,306.11	-
	Escrow Accounts	294.86	310.55
	Fractional Shares Account with banks	90.83	90.90
		25,693.26	**402.91**

Note:
* The above deposit represents the unutilized balance (including interst accrued) out of QIP funds raised during the year which are earmarked for utilization for the purposes specified In the Offer document. Refer Note 53.

		As at March 31, 2024	As at March 31, 2023
15	**Loans**		
	Loans to subsidiaries		
	Loans to subsidiaries - credit impaired	99.26	99.26
	Loans to subsidiaries - considered good	788.97	469.72
		888.23	568.98
	Less : Allowance for expected credit loss	(99.26)	(99.26)
		788.97	**469.72**

Note : The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment except loan given to Orchid Bio Pharma Limited of Rs. 788.97 lakhs (previous year: Rs. 469.72 lakhs). The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

		As at March 31, 2024	As at March 31, 2023
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	434.68	0.13
		434.68	**0.13**
17	**Current tax assets**		
	Advance income tax (net of provision for tax)	168.93	95.37
		168.93	**95.37**
18	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind		
	Advance to suppliers	1,022.41	935.18
	Prepaid expenses	215.03	363.70
	Export Incentives receivable	30.19	-
	Balances with Statutory Authorities	4,486.46	1,217.07
	(Unsecured, considered doubtful)		
	Advances to suppliers	29.05	29.05
		5,783.14	2,545.00
	Less : Allowance for expected credit loss	(29.05)	(29.05)
		5,754.09	**2,515.95**

Note : The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.

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(All amounts are INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
19	**Equity Share Capital**		
	Authorised Share Capital		
	15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
		15,010.00	**15,010.00**
	* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.		
	Issued Share Capital		
	5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	5,071.91	4,081.64
		5,071.91	**4,081.64**
	Subscribed and fully paid up share capital		
	5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each fully paid up	5,071.91	4,081.64
		5,071.91	**4,081.64**

Notes:

(a) **Reconciliation of number of equity shares subscribed**

	March 31, 2024	March 31, 2023
Balance at the beginning of the period (Nos)	**4,08,16,400**	**4,08,16,400**
Shares Issued during the period	99,02,705	-
Balance at the beginning and end of the period (Nos)	**5,07,19,105**	**4,08,16,400**

(b) **Shares held by holding, subsidiary and associate companies**

Name of the share holders	March 31, 2024		March 31, 2023	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company) *	3,54,19,957	69.84%	3,67,19,957	89.96%

There are no shares held by subsidiaries and associates in the Company.

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

Name of the share holders	March 31, 2024		March 31, 2023	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited (holding company) *	3,54,19,957	69.84%	3,67,19,957	89.96%
Quant Mutual Fund	34,65,947	6.83%	-	-

(d) **Shares held by promoters at the end of the year**

Name of the share holder (promoter)	March 31, 2024		March 31, 2023		% of Change
	No of shares	% age	No of shares	% age	
Dhanuka Laboratories Limited (holding company)	3,54,19,957	69.84%	3,67,19,957	89.96%	-20.12%

(e) The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not proposed any dividend.

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	As at March 31, 2024	As at March 31, 2023
20 Other Equity		
Capital Reserve	5,105.69	5,105.69
Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
Securities Premium	84,651.80	46,447.86
Equity component of Optionally convertible debentures	6,856.06	6,856.06
General Reserve	55,851.90	55,851.90
Other Comprehensive Income	7.05	(4.29)
Retained Earnings	(1,98,838.29)	(2,08,268.18)
	1,16,759.79	**69,114.62**

a) Capital reserve

Balance at the beginning and end of the year	**5,105.69**	**5,105.69**

Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares.

b) Capital Reserve on Amalgamation

Balance at the beginning and end of the year	**1,63,125.58**	**1,63,125.58**

Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Company. The Company can use this reserve for issuing fully paid up Bonus shares.

c) Securities Premium

Balance at the beginning of the year	46,447.86	**46,447.86**
Additions during the period (net of share issue expenses adjusted of Rs. 805.79 lakhs)	38,203.94	-
Balance at the end of the year	**84,651.80**	**46,447.86**

Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the company

d) Equity component of Optionally convertible debentures

Balance at the beginning and end of the year	**6,856.06**	**6,856.06**

This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Company completed the conversion of the debentures into equity.

e) General Reserve

Balance at the beginning and end of the year	**55,851.90**	**55,851.90**

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.

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(All amounts are INR lakhs, except share data and unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
f) Other comprehensive income		
Balance at the beginning of the year	(4.29)	(9.69)
Net Other Comprehensive Income for the year	(33.72)	(17.88)
(Deductions)/ Adjustments during the year	45.06	23.28
Balance at the end of the year	**7.05**	**(4.29)**

Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

	As at March 31, 2024	As at March 31, 2023
g) Retained Earnings		
Balance at the beginning of the year	(2,08,268.18)	(2,13,663.78)
Net profit/(loss) for the year	9,474.95	5,418.88
Transfer from Other Comprehensive Income	(45.06)	(23.28)
Balance at the end of the year	**(1,98,838.29)**	**(2,08,268.18)**

Retained Earnings represent the undistributed profits/ accumulated losses of the Company remaining after transfer to other Reserves.

21 Long Term Borrowings

	As at March 31, 2024	As at March 31, 2023
Secured *		
From Banks		
Rupee Term Loans	-	3,205.16
Foreign Currency Term Loans	-	4,959.26
Unsecured Loans		
0% Optionally Convertible Debentures	12,020.91	10,875.10
	12,020.91	19,039.52
Less: Current maturities of long term borrowings (refer note 25)	-	(4,155.76)
	12,020.91	**14,883.76**

* Refer Note 45 for repayment terms and security details.

Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

22 Lease Liabilities - Non current

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	37.00	-
	37.00	-

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		As at March 31, 2024	As at March 31, 2023
23	**Provisions -Non-current**		
	Provision for Employee Benefits		
	Gratuity	119.37	1,011.32
	Compensated absence	244.00	248.86
		363.37	**1,260.18**
24	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	11,081.42	8,610.56
	On Others	-	322.62
		11,081.42	8,933.18
	Deferred Tax Asset		
	On unabsorbed tax depreciation	11,081.42	8,610.56
	Net deferred tax asset / (liability)	**-**	**(322.62)**

Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability

		As at March 31, 2024	As at March 31, 2023
25	**Current liabilities - Borrowings**		
	Secured*		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	1,404.75	14,095.05
	Current maturities of long term borrowings (refer Note 21)	-	4,155.76
	Unsecured		
	Loans from subsidiary company	-	-
		1,404.75	**18,250.81**

* Refer Note 45 for repayment terms and security details

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2023	20011.71	19297.30	714.41	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 475..55 lacs)

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.

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(All amounts are INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
26	**Lease Liabilities - Current**		
	Lease Liabilities	33.33	-
		33.33	**-**
27	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	866.53	158.44
	Dues to Creditors other than Micro and Small enterprises	17,072.35	12,752.17
		17,938.88	**12,910.61**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer Note 41.

Refer Note 46 for information about risk profile of trade payables under Financial Risk Management.

Refer Note 49(e) for information about ageing of trade payables

		As at March 31, 2024	As at March 31, 2023
28	**Provisions- Current**		
	Provision for employee benefits		
	Gratuity	160.73	299.41
	Compensated absence	47.74	49.19
		208.47	**348.60**
29	**Other current liabilities**		
	Statutory Liabilities	347.87	148.36
	Fractional Share amount payable to shareholders	90.84	90.91
	Employee related payables	748.63	746.09
	Advance and deposits from customers etc.,	194.66	167.59
		1,382.00	**1,152.95**

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ORCHID PHARMA LIMITED Chengalpattu

SINGHI & CO. Chartered Accountants

Orchid Pharma Limited
Notes to the financial statements as at and for the year ended March 31, 2024
(All amounts are INR lakhs, except share data and unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
30	**Revenue from operations**		
	Sale of Products	81,512.03	65,561.06
	Sale of Services	99.44	104.52
	Other Operating Revenues		
	Sale of other materials	295.16	924.26
	Export promotion incentives	30.19	-
		81,936.82	**66,589.84**
	Details of Sale of products		
	Cephalosporin API	81,266.02	65,154.11
	Cephalosporin FDF	246.01	406.95
		81,512.03	**65,561.06**
31	**Other income**		
	Interest income on Bank Deposits etc	1,574.14	37.31
	Interest income on Loan to Subsidiaries	13.33	24.49
	Profit on sale of property plant and equipment	-	93.55
	Foreign exchange gain (net)	673.46	520.14
	Profit on sale of investments	-	1.54
	Other non-operating income	778.01	1,266.02
		3,038.94	**1,943.05**
32	**Cost of materials consumed**		
	Opening inventory of raw materials	7,588.65	4,283.13
	Add : Purchases	51,847.67	43,915.13
	Less : Closing inventory of raw materials	(6,601.01)	(7,588.65)
		52,835.31	**40,609.61**
33	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening stock		
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Finished Goods	6,794.66	5,484.49
		14,539.66	**12,392.12**
	Closing stock		
	Intermediates & Work-in-progress	11,486.56	7,745.00
	Finished Goods	7,442.50	6,794.66
		18,929.06	**14,539.66**
	Total changes in inventories	**4,389.40**	**2,147.54**
34	**Employee benefits expense**		
	Salaries and wages	5,891.97	5,449.92
	Contribution to provident and other funds	393.63	424.91
	Staff welfare expenses	678.57	660.21
		6,964.17	**6,535.04**

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Orchid Pharma Limited

Notes to the financial statements as at and for the year ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
35	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	3,175.39	5,474.07
	Amortisation of Right of use assets	33.45	-
	Amortisation of Intangible Assets	113.06	4.59
		3,321.90	**5,478.66**
36	**Finance Cost**		
	Interest on bank borrowings	222.04	1,527.85
	Less : Transferred to Capital work in progress	133.05	69.32
	Net interest on bank borrowings	88.99	1,458.53
	Interest on others	1,543.76	1,764.04
		1,632.75	**3,222.57**
37	**Other expenses**		
	Power and fuel	6,292.48	6,126.21
	Consumption of Stores, Spares & Chemicals	1,392.75	1,255.53
	Rent	1.93	0.35
	Repairs to buildings	163.78	134.60
	Repairs to plant and machinery	84.06	83.02
	Factory maintenance	1,624.58	1,445.75
	Insurance	425.40	395.91
	Rates & Taxes	156.81	98.24
	Research & Development Expenses	709.37	636.21
	Advertisement	3.04	4.06
	Payment to Auditors [refer note 37 (a)]	32.00	35.25
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	110.95	51.21
	Directors' remuneration & perquisites	696.89	236.21
	Directors' travelling expenses	71.27	52.05
	Directors' sitting fees	9.70	8.00
	Freight outwards	702.99	698.41
	Commission on sales	1,598.45	675.02
	Business promotion and selling expenses	81.15	56.14
	Lease rentals	332.24	101.25
	Professional consultancy charges	383.24	445.49
	Allowance / (Reversal) of expected credit loss	(26.51)	118.83
	Bank charges	38.11	67.65
	Loss on sale/ discard of property, plant and equipment	18.84	16.09
	Advances / Debit balances written off (Net)	46.27	-
	Miscellaneous expenses	506.91	487.40
		15,458.70	**13,230.88**
37 (a)	**Payment to auditors** *		
	For statutory audit	14.50	16.50
	For issuing limited review reports	7.50	7.50
	For tax audit	2.00	2.00
	For certificate and other services #	8.00	9.25
	Out of pocket expenses	-	-
		32.00	35.25

* Excludes Payment towards the certification services of QIP of Rs. 23.50 lakhs which was adjusted against the share premium account

including Rs. 8.25 lakhs paid to earstwhile auditors in the previous year figures

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(All amounts are INR lakhs, except share data and unless otherwise stated)

38 Taxes on Income

Income tax expense

In view of the carried forward losses under the taxation laws, no provision for tax is required to be created.

Movement of deferred tax expense

For the year ended March 31, 2024

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(8,610.56)	(2,470.86)	-	(11,081.42)
Unabsorbed tax depreciation (refer note below)	8,610.56	2,470.86	-	11,081.42
Other temporary differences	(322.62)	322.62	-	-
	(322.62)	**322.62**	**-**	**-**

For the year ended March 31, 2023

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and	(8,283.47)	(327.09)	-	(8,610.56)
Unabsorbed tax depreciation (refer note below)	8,283.47	327.09	-	8,610.56
Other temporary differences	(322.62)	-	-	(322.62)
	(322.62)	**-**	**-**	**(322.62)**

Note :

Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that sufficient future taxable income will be available for setting off the same.

39 Earnings per share

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year from continuing Operations	9,474.95	5,524.69
Profit for the year from discontinued Operations	-	(105.81)
Profit for the year from continuing & discontinued Operations	9,474.95	5,418.88
Weighted average number of ordinary shares outstanding	4,83,65,183	4,08,16,400
Earnings per equity share (For continuing operations):		
- Basic (Rs.)	19.59	13.54
- Diluted (Rs.)	19.59	13.54
Earnings per equity share (For discontinued operations) :		
- Basic (Rs.)	-	(0.26)
- Diluted (Rs.)	-	(0.26)
Earnings per equity share (For discontinued & continuing operations) :		
- Basic (Rs.)	19.59	13.28
- Diluted (Rs.)	19.59	13.28

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(All amounts are INR lakhs, except share data and unless otherwise stated)

40 Expenditure on Research and Development

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue expenditure charged to the Statement of Profit or Loss includes:		
Power and fuel	-	-
Consumption of stores, spares and chemicals	148.35	133.31
Salaries, wages and bonus	483.69	402.62
Contribution to Provident and other funds	24.65	18.78
Travelling and conveyance	6.15	0.27
Filing and registration expenses	0.77	0.88
Professional consultancy charges	6.75	63.96
Others	39.01	16.39
	709.37	**636.21**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) The principal amount remaining unpaid at the end of the year	866.53	158.44
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	15.51

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

42 Commitments and contingent liabilities

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contingent Liability		
Claims against the company not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai *	-	-
- GST tax dispute pending before Commissioner Appeals *	-	-
- Electricity Department claim #	80.93	52.26
- Other claims **	3,871.68	3,077.00
Unexpired Letter of Credits and Bank Guarantees	964.65	738.56
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,006.11	675.43

* The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s)

Considering the above, all statutory liabilities of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

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** The Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,871.68 Lakhs upto March 31, 2024 (FY : 2022-23 Rs. 3,077.00 lacs)in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

The Company is in the process of discussion with the Lessor for the out of court settlement.

Tax demand from Electricity board is under dispute and considered as contingent liability from 01.04.2020

43 Operating Segments

The operations of the Company falls under a single operating segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable. Since the Company has also laid down consolidated financial statements, the disclosures required as per Ind AS 108 is given as part of notes on accounts of the consolidated financial statements.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	14,935.94	10,388.91
Rest of the world	66,576.09	55,172.15
	81,512.03	**65,561.06**

(b) Non current assets

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

44 Operating lease arrangements

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As Lessee The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	332.24	101.25

Chengalpattu ORCHID PHARMA LIMITED

45 Terms and conditions of borrowings

A) Long term borrowings - Term loans from banks

1) Foreign Currency Term Loan:

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in July 2023 the Company had prepaid and fully settled the said Loan.

2) Rupee Term Loan :

Rupee term loan of Rs.5,000 Lakhs was sanctioned during the financial year 2022-23 with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. . The outstanding amount of Rs. 3205.16 lakhs has been prepaid in the month of July 2023 out of QIP funds.

The above Loans were secured by way of :

i) Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation,both present and future

ii) First pari passu charge over
  a) all other movable fixed assets of the Company by way of hypothecation, both present and future
  b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future
  c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time
  d) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.
  e) intangibles, goodwill, uncalled capital . present and future

iii) The term loans were additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

3) Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

B) Short term borrowings

During the year YES Bank has renewed Rs.7,500 Lakhs Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. During the year HDFC bank has renewed Rs.14,900 Lakhs of Working cpaital credit facilities . The present rate of interest is 8.25%. to 8.91% per annum.

The cash credit limits and working capital demand loan with the banks are secured by:

i) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.

iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.

iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.

v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.

vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.

vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

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(All amounts are INR lakhs, except share data and unless otherwise stated)

46 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, 2024	March 31, 2023
Debt	12,020.91	19.039.52
Less: Cash and bank balances	30.93	1,832.23
Net debt	11,989.98	17,207.29
Total equity	1,21,831.70	73,196.26
Gearing ratio (%)	9.84%	23.51%

Categories of Financial Instruments	March 31, 2024	March 31, 2023
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	596.37	687.48
Investment in Subsidiaries and Associates	6,050.00	4,550.10
Trade receivables	18,937.04	21,190.73
Cash and cash equivalents	29.47	1,830.77
Bank balances other than	25,693.26	402.91
Loans to Subsidiaries	788.97	469.72
Other financial assets	434.68	0.13
b. Mandatorily measured at FVTOCI		
Investments	889.79	461.75
c. Mandatorily measured at FVTPL		
Current Investments	-	-
Total	**53,419.58**	**29,593.59**
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	12,020.91	14,883.76
Borrowings (current)	1,404.75	18,250.81
Trade payables	17,938.88	12,910.61
Lease Liabilities	70.33	-
b. Mandatorily measured at FVTPL		
Derivative instruments	-	-
Total	**31,434.87**	**46,045.18**

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

ORCHID PHARMA LIMITED Chengalpattu

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, 2024

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	59.63	-	59.63	249.66	-	249.66	190.03
EUR	2.05	-	2.05	2.39	-	2.39	0.34
Others	2.14	-	2.14	-	-	-	(2.14)
In INR	5,114.04	-	5,114.04	19,676.74	-	19,676.74	14,562.70

As on March 31, 2023

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	143.84	-	143.84	269.02	-	269.02	125.18
EUR	1.91	-	1.91	0.97	-	0.97	(0.94)
Others	0.02	-	0.02	-	-	-	(0.02)
In INR	12,049.05	-	12,049.05	22,110.48	-	22,110.48	10,061.43

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's Profit/ (loss) for the year ended March 31, 2024 would decrease/ increase by Rs. 33.30 lakhs (March 31, 2023 : Rs.55.09 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

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(All amounts are INR lakhs, except share data and unless otherwise stated)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	17,938.88	-	-	17,938.88
Borrowings (including interest accrued thereon upto the reporting date)	1,404.75	12,020.91	-	13,425.66
Lease Liabilities	33.33	37.00		70.33
	19,376.96	**12,057.91**	**-**	**31,434.87**

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	12,910.61	-	-	12,910.61
Borrowings (including interest accrued thereon upto the reporting date)	18,250.81	14,883.76	-	33,134.57
Lease Liabilities	-	-		-
	31,161.42	**14,883.76**	**-**	**46,045.18**

	March 31, 2024	March 31, 2023
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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(All amounts are INR lakhs, except share data and unless otherwise stated)

47 Related party disclosure

a) List of parties controlling the Company and controlled by the Company

Holding company	Dhanuka Laboratories Limited
Subsidiary Companies	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 (upto 31.01.2024) Bexel Pharmaceuticals Inc., USA Diakron Pharmaceuticals Inc., USA Orchid Bio - Pharma Limited
Associate Company	Orbion Pharmaceuticals Private Limited
Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd Synmedic Laboratories Dhanuka Agritech Ltd. Invest Care Real Estate LLP Golden Overseas Private Ltd. M D Buildtech Private Ltd. Agrihawk Technologies Private Ltd. Star Living Infrastructure Advisors LLP Dhanuka Chemicals Private Ltd. H D Realtors Private Ltd. Turbos Advisers LLP

b) Key Management Personnel and their relatives

Mr. Ram Gopal Agarwal	Chairman and non executive director
Mr. Manish Dhanuka	Managing Director
Mr. Mridul Dhanuka	Wholetime Director
Mr. Mahendra Kumar Dhanuka	Relative of Directors
Mr. Arjun Kumar Dhanuka	Director (w.e.f 20th October, 2023)
Mr. Sunil Gupta	Chief Financial Officer
Kapil Dayya	Company Secretary (w.e.f. 16th December, 2023)
Ms. Marina Peter (w.e.f. 06.09.2022)	Company Secretary (upto 12th December , 2023)

c) Transactions with related parties are as follows

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sale of goods	1,620.80	817.62	17.09	5.05	33.33	107.50	-	-
Purchase of goods	2.583.96	2,172.80	-	26.77	17,012.94	13,406.93	-	-
Purchase of land & Building	-	2,696.13			-	1,971.62		
Lease Income	174.42	147.15			118.76	100.19		
Lease rent paid					46.01	-		
Rental deposit paid	-	-			-	19.10		
Expenses paid	0.69	0.16			2.78			
Interest received	-	-	13.33	-				
Interest Paid			16.43	24.49				
Loan Given			766.44	445.23				
Loan Given Repaid			410.00					
Loans/Advances received	1.500.00		865.00					
Loans/Advances repaid	1,500.00	-	865.00					
Investment made	-	-	1,499.90	0.10				
Sale of Undertaking	-	-	-	(105.81)				
Remuneration & Short term benefits*	-	-			-	-	777.66	246.69

*Post employment benefit comprising gratuity and compensated absences is not disclosed as these are determined for the Company as a whole.

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(All amounts are INR lakhs, except share data and unless otherwise stated)

d) Balances with related parties are as follows

Transactions/ Balances	Holding Company		Subsidiary and Associate Companies		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade receivables	409.66	39.22	3,849.01	3,860.45	-	75.62	-	-
Provision for Expected Credit Loss- Trade			(3,839.28)	(3,839.28)				
Loans and advances (Current)	-	-	5,229.36	5,229.36				
Provision for Expected Credit Loss -Loans & Loans Advanced			(5,229.36) 788.97	(5,229.36) 469.72				
Trade payables	632.84	428.39	33.65	166.23	6,213.56	3,481.99	-	-
Equity Share Capital	-	-			-	-	-	-
Investments			6,050.00	4,550.10				
Rent deposit					19.10	19.10		
Remuneration payable							313.46	45.96
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity")	14,300.00	14,300.00			-	-	-	-

SINGHI & CO. Chartered Accountants

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(All amounts are INR lakhs, except share data and unless otherwise stated)

e) Material related party transactions are as follows

Transactions/ Balances	Year ended March 31, 2024	Year ended March 31, 2023
Sale of goods		
Orchid Pharma Inc.	-	-
Synmedic Laboratories	33.33	107.50
Dhanuka Laboratories Limited	1,620.80	817.62
Orbion Pharmaceuticals Private Limited	17.09	5.05
Purchase of goods		
Dhanuka Laboratories Limited	2,583.96	2,172.80
Otsuka Chemical (India) Pvt Ltd	16,990.24	13,406.93
Synmedic Laboratories	22.71	-
Purchase of Land and buildings		
Dhanuka Laboratories Limited	-	2,696.13
Synmedic Laboratories	-	1,971.62
Lease rentals for Land and buildings received		
Dhanuka Laboratories Limited	174.42	147.15
Synmedic Laboratories	118.76	100.19
Rental deposit paid		
Dhanuka Agritech Limited	-	19.10
Lease rentals paid		
Dhanuka Agritech Limited	46.01	-
Loan Given		
Orchid Bio-pharma Limited	766.44	445.23
Loan Given Repaid		
Orchid Bio-pharma Limited	410.00	-
Loans and advances received		
Orchid Bio-pharma Limited	865.00	-
Dhanuka Laboratories Limited	1,500.00	-
Loans and advances received repaid		
Orchid Bio-pharma Limited	865.00	-
Dhanuka Laboratories Limited	1,500.00	-
Investments in Subsidiary / Associate Company		
Orbion Pharmaceuticals Private Limited	-	-
Orchid Bio-pharma Limited	1,499.90	0.10
Sale of Undertaking		
Orbion Pharmaceuticals Private Limited	-	(105.81)
Remuneration & Short term benefits		
Manish Dhanuka	355.10	118.11
Mridul Dhanuka	355.10	118.11
Sunil Gupta	54.83	-
Kapil Dayya	4.29	-
Marina Peter	8.34	7.30

SINGHI & CO. Chartered Accountants

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(All amounts are INR lakhs, except share data and unless otherwise stated)

f) Material related party balances are follows

Name of the related party	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Orchid Pharma Inc.*	3,839.28	3,839.28
Orbion Pharmaceuticals Private Limited	9.73	21.17
Dhanuka Laboratories Limited	409.66	39.22
Synmedic Laboratories	-	75.62
Trade payables		
Dhanuka Laboratories Limited	632.84	428.39
Otsuka Chemical (India) Pvt Ltd	6,212.93	3,481.99
Orchid Europe Limited	33.65	33.65
Orbion Pharmaceuticals Private Limited	-	132.58
Synmedic Laboratories	0.63	-
Loans given		
Orchid Bio-pharma Limited	788.97	469.72
Rental deposit paid		
Dhanuka Agritech Limited	19.10	19.10
Equity Share Capital		
Dhanuka Laboratories Limited	3,542.00	3,672.00
Investment		
Orbion Pharmaceuticals Private Limited	4,550.00	4,550.00
Orchid Bio-pharma Limited	1,500.00	0.01
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other		
Dhanuka Laboratories Limited	14,300.00	14,300.00

*Provision has been made for the entire outstanding amount

48 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.393.63 Lakhs (for the year ended March 31, 2023: Rs. 424.91 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	7.19%	7.27%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	7.27%	7.04%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	March 31, 2024	March 31, 2023
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	97.62	88.48
Net interest expense	111.91	97.47
Return on plan assets	(85.12)	(18.48)
Components of defined benefit costs recognised in profit or loss	**124.41**	**167.47**
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	45.06	23.28
Components of defined benefit costs recognised in other	**45.06**	**23.28**
Components of defined benefit costs recognised in other comprehensive income	**169.47**	**190.75**

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(All amounts are INR lakhs, except share data and unless otherwise stated)

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.

	March 31, 2024	March 31, 2023
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	1,757.10	1,588.19
Fair value of plan assets	(1,477.00)	(277.46)
Net liability/ (asset) arising from defined benefit obligation	**280.10**	**1,310.73**
Funded	280.10	1,310.73
Unfunded	-	-
	280.10	**1,310.73**

The above provisions are reflected under 'Provision for employee benefits- Gratuity' (Non current provisions) [Refer note 23] and 'Provision for employee benefits - Gratuity' (Current provisions) [Refer note 28].

	March 31, 2024	March 31, 2023
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	1,588.19	1,440.26
Current service cost	97.62	88.48
Interest cost	111.91	97.47
Actuarial (gains)/losses	56.71	73.58
Benefits paid	(97.33)	(111.60)
Rounding off	-	-
Closing defined benefit obligation	**1,757.10**	**1,588.19**
Movements in the fair value of the plan assets in the current year		
Opening fair value of plan assets	277.46	316.24
Contributions	1,200.10	4.04
Return on plan assets	85.12	18.48
Benefits paid	(97.33)	(111.60)
Actuarial gains/(loss)	11.65	50.30
Closing fair value of plan assets	**1,477.00**	**277.46**

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits- Compensated absences' (Non current provisions) [Refer note 24] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer note 28].

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(All amounts are INR lakhs, except share data and unless otherwise stated)

49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Capital Work-in-Progress (CWIP)

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,018.27	-	-	-	1,018.27
(ii) Projects temporarily suspended	-	-	-	-	-
	1,018.27	**-**	**-**	**-**	**1,018.27**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	3,630.76	242.87	1.57	733.98	4,609.18
(ii) Projects temporarily suspended	-	-	-	-	-
	3,630.76	**242.87**	**1.57**	**733.98**	**4,609.18**

(b) Ageing Schedule of Intangible assets under development :

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,427.77	-	-	-	1,427.77
(ii) Projects temporarily suspended	-	-	-	-	-
	1,427.77	**-**	**-**	**-**	**1,427.77**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

(c) Completion Schedule for Capital Work-in-Progress whose completion is overdue

As at March 31, 2024

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-

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(d) **Ageing Schedule of Trade Receivables**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	14,690.17	4,226.12	20.75	-	-	-	18,937.04
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	7,927.58	7,927.58
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	259.61	259.61
	14,690.17	**4,226.12**	**20.75**	**-**	**-**	**8,187.19**	**27,124.23**
Less: Expected Credit Loss Allowance							**(8,187.19)**
							18,937.04

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	15,810.32	5,380.41	-	-	-	-	21,190.73
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	19.35	7,934.74	7,954.09
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	259.61	259.61
Credit impaired	-	-	-	-	-	-	-
	15,810.32	**5,380.41**	**-**	**-**	**19.35**	**8,194.35**	**29,404.43**
Less: Expected Credit Loss Allowance							**(8,213.70)**
							21,190.73

(e) **Ageing Schedule of Trade Payables**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024	-	-	-	-	-	
(i). MSME	770.55	91.58	3.97	0.03	0.40	866.53
(ii) Others	6,310.36	8,650.21	292.99	140.93	168.58	15,563.07
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	1,509.28	-	-	-	-	1,509.28
	8,590.19	**8,741.79**	**296.96**	**140.96**	**168.98**	**17,938.88**

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As at March 31, 2023						
(i). MSME	96.91	41.94	1.30	1.14	17.15	158.44
(ii) Others	8,660.25	2,167.71	134.23	126.43	562.80	11,651.42
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	1,035.91	58.70	6.14	-	-	1,100.75
	9,793.07	**2,268.35**	**141.67**	**127.57**	**579.95**	**12,910.61**

(f) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(g) Borrowings from banks

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(h) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(i) Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) *Key Financial Ratios*

Particulars	Unit of Measurement	March 31, 2024	March 31, 2023	Variation in %
Current Ratio	In multiple	3.73	1.73	116%
Debt-Equity Ratio	In multiple	0.11	0.45	(76%)
Debt Service Coverage Ratio	In multiple	1.72	1.24	39%
Return on Equity Ratio	In %	10.00%	8.00%	25%
Inventory Turnover Ratio	In Days	110.00	110.00	0%
Trade receivables Turnover Ratio	In Days	89.00	102.00	(13%)
Trade payables Turnover Ratio	In Days	105.00	101.00	4%
Net Capital Turnover Ratio	In %	2.22	3.74	(41%)
Net Profit Ratio	In %	12.00%	8.00%	50%
Return on Capital Employed	In %	9.17%	8.58%	7%
Return on Investment (Assets)	In %	8.52%	1.28%	566%

Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)

Debt-Equity Ratio = Total Debt / Total Equity

Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term

Return on Equity Ratio = Total Comprehensive Income / Average Total Equity

Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)

Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)

Trade Payables Turnover Ratio (Average Payable days) = 365 / (Credit Purchases / Average Trade payables)

Net Capital Turnover Ratio =((Net Sales / Average Working Capital (Current Assets-Current Liabilities))

Net Profit Ratio = Net Profit / Net Revenue

Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))

Return on Investment = Income generated from invested funds/Average invested funds in treasury investments

Reasons for Variation if more than 25%

Current Ratio

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The current ratio is higher mainly due to substantial amount of Short term loans repaid during the year out of QIP funds.

Debt equity ratio

Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has improved.

Debt Service Coverage Ratio

Due to increase in profit and reduction in loan liability , the Debt Service Coverage Ratio has significantly improved.

Return on Equity ratio

The return on equity ratio is increased mainly due to increase in profitability during the year.

Net Capital Turnover Ratio

Due to decrease in short term borrowings compared to earlier year,the Capital turnover ratio improved

Net Profit Ratio

Due to improved Turnover and profitability the net profit ratio has increased

Return on Investments

Due to unutilized QIP Funds kept in Fixed Deposits, the Return of investments improved substantially compared to earlier year

(k) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(l) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(m) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(n) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

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(All amounts are INR lakhs, except share data and unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

50 Disclosure of Leases

(i) Changes in the carrying value of right-of-use assets.

Particulars	Category of Right-of-use asset	
	Building	Building
Balance as at 1st April, 2022	-	-
Additions during the year	-	-
Termination during the year	-	-
Depreciation	-	-
Balance as at 31st March, 2023	-	-
Additions during the year	100.36	-
Termination during the year	-	-
Depreciation	(33.45)	-
Balance as at 31st March, 2024	**66.91**	-

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 35)

(ii) Movement in Lease Liabilities

Particulars		
Opening Balance	-	-
Additions during the year	100.36	-
Finance cost accrued during the year	11.04	-
Termination during the year	-	-
Payment of lease liabilities	(41.07)	-
Closing Balance	**70.33**	-

(iii) Break-up of current and non-current lease liabilities.

Particulars		
Non-current lease liabilities	37.00	-
Current lease liabilities	33.33	-
Total	**70.33**	-

(iv) Contractual maturities of lease liabilities on undiscounted basis.

Particulars		
Not later than one year	41.07	-
Later than one year but not later than five years	41.07	-
Later than five years		
Total	**82.14**	-

51 Audit trail :

The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. The Company has an established process of regularly identifying shortcomings, if any, and updating technological advancements and features including audit trail. The shortcomings identified during the course of audit are being reviewed and corrective action is being taken wherever required.

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52 Discontinuing operations

During the previous year. the Company has completed the sale of Orchid Towers which is previously classified as disposal group as per Ind AS 105. Accordingly the gain of Rs. 3921.04 lacs has been disclosed in exceptional items in profit and loss account.

During the year 2021-22, the Company had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the previous year the related working capital adjustment as per the Sale Agreement was finalised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations .

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

	As at March 31, 2024	As at March 31, 2023
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	-
Other Current Liabilities	-	-
Total liabilities	-	-
Assets		
Property, Plant and Equipment (PPE)	-	-
Intangible Assets	-	-
Capital Work in Progress	-	-
Intangible under development	-	-
Non Current Financial Assets	-	-
Current Financial Assets	-	-
Other current assets	-	-
Total Assets	-	-
Net Assets/ (Liabilities)	-	-

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue		
Revenue from operations	-	-
Other Income	-	(105.81)
Total revenue (a)	-	(105.81)
Expenses		
Cost of materials consumed	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	-	-
Employee benefits expense	-	-
Depreciation and amortization expense	-	-
Other expenses	-	-
Total expenses (b)	-	-
Profit/ (Loss) before exceptional item and tax (a-b) = (c)	-	(105.81)
Less : Exceptional item	-	-
Profit/ (Loss) before tax	-	(105.81)
Tax expenses	-	-
Profit/ (Loss) from discontinuing operations	-	(105.81)

As required by Ind AS 105. the Company re-presented the disclosures for prior periods presented in the Standalone financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

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53 During the year the Company allotted Equity shares of 99,02,705 fully paid up of face value Rs. 10/- each on 27th June 2023 by way of Qualified Institutional Placement (QIP) whereby proceeds of Rs.39180 Lakhs (Net of Share issue expenses of Rs.805.79 lakhs) was raised. Further, post receipt of Listing Approval and Trading approval dated June 30, 2023, the newly issued shares were available for trading on Stock Exchanges w.e.f. July 03, 2023. As on March 31, 2024, the entire net Proceeds of Rs.39180 Lakhs was received by the Company under the QIP and the Statement of Net funds raised as per Offer document and its utilisation is furnished below :

Particulars	Amount as stated in the Offer Document (Rs. in Lakhs)	Total amount utilised upto March 31, 2024 (Rs. In Lakhs)	Balance amount as on March 31, 2024 kept in Fixed deposits (Rs. In Lakhs)	Remarks
1) Investment in OBPL (subsidiary) for setting up Jammu Manufacturing Facility	9000	412	8588	
2) Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company	14100	14100	-	
3) Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	9982	-	9982	
4) General corporate purposes	6098	512	5860	#
Total	**39180**	**15024**	**24430**	

#As per the QIP offer document the amount allocated for General Corporate Purpose (GCP) was Rs. 6098 Lakhs which was based on the proposed net proceeds after issue expenses being Rs. 39180 Lakhs. However, net proceeds transferred to Monitoring Account was Rs. 39454 Lakhs as against the proposed Net Proceeds of Rs. 39180 Lakhs, therefore the surplus amount ofRs. 274 Lakhs has been included in the GCP Balance as on 31st March, 2024.

54 During the previous year the Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

55 Previous year figures have been regrouped or rearranged wherever considered necessary.

56 The financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 23, 2024.

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the board

Sudesh Choraria
Partner
Membership No. 204936

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer

Kapil Dayya
Company Secretary

Place : Mumbai
Date: May 23. 2024

Place : Gurgaon
Date: May 23, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Orchid Pharma Limited

Report on the Audit of the Consolidated financial statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Orchid Pharma Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Associate, which comprise of the consolidated balance sheet as at M arch 31,2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit (including other comprehensive income), consolidated Total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended on that date.

Basis for Qualified Opinion

We draw attention to the fact that the Consolidated Financial Statements for the year ended March 31, 2024 include the financial statements for the year ended March 31, 2024, of the following subsidiary companies:

i) Orchid Europe Limited, UK (Upto 27th September 2022)
ii) Orchid Pharmaceuticals Inc., USA
iii) Bexel Pharmaceuticals Inc., USA
iv) Orchid Pharmaceuticals SA(Proprietary) Limited, South Africa (Upto 31st January 2024)
v) Diakron Pharmaceuticals, Inc. USA
vi) Orchid Bio-Pharma Limited

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

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We did not audit the financial statements of the above subsidiaries and Associate whose financial statements reflect total Assets of Rs.957.58 Lakhs and net Assets of Rs.(-) 6379.90 Lakhs as at March 31, 2024, total revenue from operations of Rs. Nil, total comprehensive income after tax of Rs.(-) 2.86 Lakhs for the year ended March 31, 2024 respectively and net cash flows amounting to Rs.(-) 82.54 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 289.78 Lakhs of the associate for the year ended March 31, 2024, as considered in the consolidated financial statements

The standalone financial statements of the subsidiaries (other than Orchid Bio-Pharma Limited) and associate are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate as at March 31, 2024 included in the Consolidated Financial Statements.

We conducted our audit of the consolidated financial statements` in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matter:

Note 42 to the financial statements relating to the fact that the Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Group disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to Rs. 3,871.68 Lakhs unto March 31, 2024 in respect of the aforesaid lease. The same has been treated as contingent liability in the Consolidated financial statements of the group.

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

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Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the matter stated below, our description of how our audit addressed the matter is provided in that context.

Key audit matter	**How our audit addressed the key audit matter**
1. Revenue Recognition (Refer Note 3 (c) and 30 to the Consolidated financial Statements)	
Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Group, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred.	As part of our audit procedures, we: ➢ Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ➢ Evaluated the design, tested the implementation and operating effectiveness of the Holding Company's internal controls including general IT controls and key IT application controls over recognition of revenue. ➢ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. ➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Group's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Group's annual report, but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Group's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies/ entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Group, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Group and of its subsidiaries included in the Group are responsible for assessing the ability of each group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective management and Board of Directors of the Group and of its subsidiaries included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls over financial reporting 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Group and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 2024 and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of a subsidiary whose financial statements includes total assets of Rs.2360.35 Lakhs as at March 31, 2024, total revenues of Rs.Nil, total net profit after tax of Rs. 31.46 Lakhs, total comprehensive income of Rs.31.46 Lakhs for the year ended March 31, 2024 and net cash inflow of Rs.(-) 15.78 Lakhs for the year ended March 31, 2024, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements, subject to our comments in the basis of qualified opinion paragraph of our report.
   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company none of the directors are disqualified as on March 31,2024 from being appointed as a director in terms of section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2024 paid by the group to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act, and

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

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group - Refer Note 42 to the Consolidated Financial Statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts,

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024;

iv. The Management has represented that, to the best of its knowledge and belief:

(a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Group and its subsidiaries, which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

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vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level, as described in note 45 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For Singhi & Co.,
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner
Membership no: 204936
UDIN: 24204936BKGEAR7098

Date: May 23, 2024
Place: Mumbai

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Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Consolidated financial Statements as of and for the year ended March 31, 2024

(Referred to in paragraph 1 (f) of our Report on Other legal and regulatory requirements)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of **Orchid Pharma Limited** (hereinafter referred to as the 'Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Associate, as of and for the year ended March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

In our opinion, the Group has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2024, based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Group's management and the Board of Directors are responsible for establishing and maintaining internal financial controls over financial reporting based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the Auditor's

SINGHI & CO. * Chartered Accountants *

judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over financial reporting

A group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting

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

For Singhi & Co,
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner
Membership no: 204936
UDIN: 24204936BKGEAR7098

Date: May 23, 2024
Place: Mumbai

SINGHI & CO. Chartered Accountants

Orchid Pharma Limited

Consolidated Balance Sheet as at March 31, 2024

(All amounts are in INR lakhs, except share data and unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	61,892.39	57,270.88
Intangible assets	4	64.08	38.57
Capital work in progress	5	1,639.39	4,646.34
Intangible assets under development	5A	1,427.77	-
Right of use assets	4	65.91	-
Financial assets			
Investments	6	4,582.39	4,444.13
Other financial assets	7	596.37	587.48
Non current tax assets (net)	8	5,130.15	5,130.15
Other non current assets	9	912.93	202.11
Total non-current assets		**76,312.38**	**72,419.66**
Current assets			
Inventories	10	26,422.61	22,873.80
Financial assets			
Investments	11	-	-
Trade receivables	12	19,554.71	21,519.33
Cash and cash equivalents	13	360.09	2,259.71
Bank balances other than above	14	26,296.42	802.91
Loans	15	-	-
Other financial assets	16	450.48	15.84
Current tax assets (net)	17	164.32	95.37
Other current assets	18	5,826.38	2,533.96
Total current assets		**79,075.01**	**50,100.97**
Total Assets		**1,55,387.39**	**1,22,520.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	5,071.91	4,081.64
Other equity	20	1,11,874.70	64,783.26
Total equity		**1,16,946.61**	**68,864.90**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	12,042.98	14,883.76
Lease liability	22	37.00	-
Provisions	23	363.37	1,260.18
Deferred Tax Liability (net)	24	-	322.62
Total non-current liabilities		**12,443.35**	**16,466.56**
Current liabilities			
Financial liabilities			
Borrowings	25	1,404.75	18,250.81
Lease liability	26	33.33	-
Trade payables	27		
- Outstanding Dues of Micro and Small Enterprises		866.53	158.44
- Outstanding Dues of Creditors other than Micro and Small Enterprises		22,091.16	17,278.37
Short term provisions	28	208.47	348.60
Other current liabilities	29	1,393.19	1,152.95
Total current liabilities		**25,997.43**	**37,189.17**
Total Liabilities		**38,440.78**	**53,655.73**
Total Equity and Liabilities		**1,55,387.39**	**1,22,520.63**
Material Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Singhi & Co.,

Chartered Accountants

Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 23, 2024

Kapil Dayya
Company Secretary

SINGHI & CO. Chartered Accountants

ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited

Statement of consolidated profit and loss for the year ended March 31, 2024

(All amounts are in INR lakhs. except share data and unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Continuing Operations			
A Income			
Revenue from operations	30	81,936.82	66,589.84
Other income	31	3,086.28	1,943.05
Total income		**85,023.10**	**68,532.89**
B Expenses			
Cost of materials consumed	32	52,835.31	40,609.61
Changes in inventories of finished goods and WIP	33	(4,389.40)	(2,147.54)
Employee benefits expense	34	6,964.17	6,535.04
Depreciation and amortisation expense	35	3,323.71	5,478.68
Finance costs	36	1,635.45	3,222.57
Other expenses	37	15,459.34	13,230.88
Total expenses		**75,828.58**	**66,929.24**
C Profit / (Loss) before exceptional items and tax		**9,194.52**	**1,603.65**
Exceptional items - Income / (Expenses) (Refer Note 55)		-	3,921.04
D Profit / (Loss) before tax from continuing operations		**9,194.52**	**5,524.69**
Income tax expense			
Current tax	38	10.71	-
Deferred tax charge/ (credit)	38	(322.62)	-
Profit / (Loss) after tax from continuing operations		**9,506.43**	**5,524.69**
Discontinuing Operations			
E Profit / (Loss) for the year from discontinued operations		-	(677.51)
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations after tax		**-**	**(677.51)**
Profit / (Loss) for the year before share of profit of Associates		**9,506.43**	**4,847.18**
Add: Share of Profit / (loss) of Associates		(289.78)	(215.35)
F Profit/ (Loss) for the year		**9,216.65**	**4,631.83**
G Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(45.06)	(23.28)
Gain/ (Loss) on fair valuation of investments		11.34	5.40
Income tax (charge)/ credit relating to these items		-	-
Other comprehensive income for the year, net of tax		**(33.72)**	**(17.88)**
Total comprehensive Profit / (loss) for the year		**9,182.93**	**4,613.95**
Earnings per share	39		
Earnings per equity share (For continuing operations):			
- Basic (Rs.)		19.06	13.01
- Diluted (Rs.)		19.06	13.01
Earnings per equity share (For discontinued operations) :			
- Basic (Rs.)		-	(1.67)
- Diluted (Rs.)		-	(1.67)
Earnings per equity share (For discontinued & continuing operations) :			
- Basic (Rs.)		19.06	11.35
- Diluted (Rs.)		19.06	11.35
Material Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer

Kapil Dayya
Company Secretary

Place : Gurgaon
Date: May 23, 2024

SINGHI & CO. Chartered Accountants

ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited

Statement of consolidated cash flows for the year ended March 31, 2024

(All amounts are in INR lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit/ loss before income tax	8,904.74	4,631.83
Adjustments for		
Depreciation and amortisation expense	3,323.71	5,478.68
(Profit)/ loss on sale of fixed assets (Net) (including Exceptional item)	-	(3,998.50)
Loss on sale/ discard of property, plant and equipment	18.84	-
Advances / Debit balances written off (Net)	46.27	-
Interest income	(1,634.81)	(61.80)
Unrealised forex (gain)/ loss	762.64	164.44
Allowance for expected credit loss	(26.51)	118.83
Finance costs	1,635.45	3,222.57
Share of loss from associates under equity method	289.78	215.35
(Profit) / loss on sale of investments	-	(1.54)
	13,320.11	9,769.86
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	91.11	(211.43)
(Increase)/ decrease in inventories	(3,548.81)	(5,608.17)
(Increase)/ decrease in trade receivables	1,964.67	(4,165.35)
(Increase)/ decrease in Other assets	(4,049.51)	1,268.27
Increase/ (decrease) in provisions and other liabilities	(726.37)	(580.94)
Increase/ (decrease) in trade payables	5,485.13	1,391.41
Cash generated from operations	**12,536.33**	**1,863.65**
Add : Income taxes received (net of payments)	62.87	(29.85)
Net cash from operating activities (A)	**12,599.20**	**1,833.80**
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment (including changes in CWIP)	(6,481.48)	(8,491.31)
Sale proceeds of Property, plant and equipment	-	93.55
Net Sale proceeds of Land & Buildings	-	5,761.00
(Purchase)/ disposal proceeds of Investments	(428.04)	(103.46)
(Investments in)/ Maturity of fixed deposits with banks	(25,493.51)	(427.27)
Interest received	1,200.17	46.10
Net cash used in investing activities (B)	**(31,202.86)**	**(3,121.39)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share issue expenses)	39,194.21	-
Proceeds from Borrowings	-	17,319.84
Repayment of Borrowings (net)	(20,854.72)	(10,980.63)
Finance costs	(1,635.45)	(3,222.57)
Net cash from/ (used in) financing activities (C)	**16,704.04**	**3,116.64**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,899.62)**	**1,829.05**
Cash and cash equivalents at the beginning of the financial year	2,259.71	430.66
Cash and cash equivalents at end of the year	**360.09**	**2,259.71**

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	355.77	2,259.05
- in fixed deposit with original maturity of less than 3 months	-	-
Cash on hand	4.32	0.66
	360.09	**2,259.71**

3. Reconciliation of Liabilities arising from financing activities

Particulars	Outstanding as at 1st April, 2023	Cash Flows	Non-Cash Changes	Outstanding as at 31st March, 2024
Long Term Borrowings	19039.52	(8,164.42)	1167.88	12042.98
Short Term Borrowings	14095.05	(12,690.30)		1404.75
Total Liabilities from financing activities	**33134.57**	**(20,854.72)**	**1167.88**	**13447.73**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer
Place : Gurgaon
Date: May 23, 2024

Kapil Dayya
Company Secretary

SINGHI & CO. Chartered Accountants

ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited
Statement of Consolidated Changes in Equity for the period ended March 31, 2024
(All amounts are in INR lakhs, except share data and unless otherwise stated)

(A) Equity Share Capital

Balance at the end of March 31, 2022	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the period	-
Balance at the end of March 31, 2023	**4,081.64**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the period	990.27
Balance at the end of March 31, 2024	**5,071.91**

(B) Other Equity (attributable to the owners of Orchid Pharma Limited)

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Equity component of Optionally convertible debentures	General Reserve	Foreign Currency Fluctuation Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31, 2022	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	14,711.55	(9.69)	(2,31,432.60)	60,656.35
Total Comprehensive Income for the year							(17.88)	4,631.83	4,613.95
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Restated Balance as at April1, 2022	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	14,711.55	(27.57)	(2,26,800.77)	65,270.30
Additions/ (deductions) during the year	-	-	-	-	-	(487.04)	23.28	(23.28)	(487.04)
Balance as at March 31, 2023	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	14,224.51	(4.29)	(2,26,824.05)	64,783.26
Total Comprehensive Income for the year							(33.72)	9,216.65	9,182.93
Changes due to prior period errors	-	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2024	5,105.69	1,63,125.58	46,447.86	6,856.06	55,851.90	14,224.51	(38.01)	(2,17,607.40)	73,966.19
Shares allotted during the year (QIP) (Refer Note 54)	-	-	38,203.94	-	-	(295.43)	45.06	(45.06)	37,908.51
Balance as at March 31, 2024	5,105.69	1,63,125.58	84,651.80	6,856.06	55,851.90	13,929.08	7.05	(2,17,652.46)	1,11,874.70

The accompanying notes form an integral part of the financial statements
As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer

Kapil Dayya
Company Secretary

Place : Gurgaon
Date: May 23, 2024

SINGHI & CO. * Chartered Accountants *

ORCHID PHARMA LIMITED * Chengalpattu

Orchid Pharma Limited

Notes to the Consolidated financial statements as at and for the year ended March 31, 2024

(All amounts are in INR lakhs, except share data and unless otherwise stated)

4 Property, plant and equipment

Particulars	A) Tangible Assets										B) Right of use assets	C) Intangible assets		
	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Factory Equipment	Laboratory Equipment	Total	Buildings	Internally generated DMF and ANDA	Computer Software	Total
Gross Carrying Amount														
As at March 31, 2022	**1,228.12**	**0.61**	**14,393.77**	**99,076.60**	**227.28**	**9.98**	**3.48**	**326.78**	**1,305.07**	**1,16,571.69**		**1,012.91**	**54.06**	**1,066.97**
Additions	1,373.45	-	3,432.00	46.16	1.81	-	2.26	-	-	4,855.68		14.21	-	14.21
Disposals	(417.44)	-	-	(13.75)	(16.09)	-	-	-	-	(447.28)		(4.78)	-	(4.78)
As at March 31, 2023	**2,184.13**	**0.61**	**17,825.77**	**99,109.01**	**213.00**	**9.98**	**5.74**	**326.78**	**1,305.07**	**1,20,980.09**	-	**1,022.34**	**54.06**	**1,076.40**
Additions	379.98	-	661.73	6,376.28	152.31	156.21	92.55	-	-	7,819.06	100.36	-	138.57	138.57
Disposals	-	-	-	-	(9.95)	-	(10.09)	-	-	(20.04)	-	-	-	-
As at March 31, 2023	**2,564.11**	**0.61**	**18,487.50**	**1,05,485.29**	**355.36**	**166.19**	**88.20**	**326.78**	**1,305.07**	**1,28,779.11**	**100.36**	**1,022.34**	**192.63**	**1,214.97**
Accumulated Depreciation/ Amortisation														
As at March 31, 2022	-	**0.61**	**3,838.20**	**53,052.56**	**169.82**	**3.69**	**3.48**	**145.34**	**1,021.44**	**58,235.14**		**1,012.91**	**20.33**	**1,033.24**
Charge for the year	-	-	788.90	4,663.58	0.50	-	0.55	15.54	5.00	5,474.07		1.46	3.13	4.59
Disposals	-	-	-	-	-	-	-	-	-	-		-	-	-
As at March 31, 2023	-	**0.61**	**4,627.10**	**57,716.14**	**170.32**	**3.69**	**4.03**	**160.88**	**1,026.44**	**63,709.21**	-	**1,014.37**	**23.46**	**1,037.83**
Charge for the year	-	-	806.16	2,337.81	3.91	8.85	11.84	7.00	3.54	3,179.11	33.45	2.55	110.51	113.06
Disposals	-	-	-	-	(0.48)	-	(1.12)	-	-	(1.60)		-	-	-
As at March 31, 2024	-	**0.61**	**5,433.26**	**60,053.95**	**173.75**	**12.54**	**14.75**	**167.88**	**1,029.98**	**66,886.72**	**33.45**	**1,016.92**	**133.97**	**1,150.89**
Net Block														
As at March 31, 2023	2,184.13	-	13,198.67	41,392.87	42.68	6.29	1.71	165.90	278.63	57,270.88		7.97	30.60	38.57
As at March 31, 2024	**2,564.11**	-	**13,054.24**	**45,431.34**	**181.61**	**153.65**	**73.45**	**158.90**	**275.09**	**61,892.39**	**66.91**	**5.42**	**58.66**	**64.08**

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the respective companies in the group as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipments in the financial statements, the lease agreements are in the name of the respective companies in the group. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.

2 The Group has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Group has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 The group has amortised its Right to use assets (lease hold buildings) on straight line method over a period of lease.

4 The Group has not revalued its intangible asset, since the Group has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Orchid Pharma Limited" ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group") for the year ended March 31, 2024.

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

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the holding company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

The Group has invested in the following subsidiary companies :

a) Orchid Europe Limited, a company formed in the United Kingdom initially to market nutraceuticals through mail order/ direct marketing in the United Kingdom and Europe. This subsidiary company has been wound up during the previous financial year.
b) Bexel Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.
c) Orchid Pharmaceuticals Inc., USA to provide services in USA. It has a wholly owned subsidiaries "Orgenus Pharma Inc, USA" which provides services in USA and "Orchid Pharma Inc./Karalex Pharma, USA" which sells pharmaceutical products in USA.
d) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa to register and market formulations in South Africa. This subsidiary company has been wound up during this financial year.
e) Diakron Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.
f) Orchid Bio- Pharma Limited , Inda for manufacture of the KSM as a backward integration to the Holding company's activities.

The Group had also invested in M/s Orbion Pharmaceuticals Private Limited, an associate Company of the Group.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost

SINGHI & CO. * Chartered Accountants *

ORCHID PHARMA LIMITED Chengalpattu *

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

Basis of preparation and presentation

The Consolidated Financial Statements comprises of Orchid Pharma Limited and all its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements. The investment in associate is consolidated using equity methods as per Ind AS 28

Principles of Consolidation

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Group's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

e) The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.

f) The differences in accounting policies of the Holding Company and its subsidiaries/ associates are not material and there are no material transactions from January 1, 2024 to March 31, 2024 in respect of subsidiaries/ having financial year ended December 31, 2023.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

i) In respect of investments in associate company, the Group has applied equity method for consolidation of its interest in the associate.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires

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management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Holding Company's Board of Directors on May 23, 2024.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

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

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses

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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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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3 Material Accounting Policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

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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.

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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 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.

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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.

Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

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Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially marketed, which ever is earlier.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial Instruments

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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.

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Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Group classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without significant 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.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers".

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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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.

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Financial liabilities

Initial recognition and measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with Customers".

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference

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			between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

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The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

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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.

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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.

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Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

n) Leases

The Group has 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 or any other systematic approach as adopted by the entity.All other Leases are recognized as follows :

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

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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 significant, 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.

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s) Non current assets held for sale and disposal groups

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind ASs.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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Notes to the Consolidated financial statements as at and for the year ended March 31, 2024

(All amounts are in INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
5	**Capital Work-in-progress**		
	Property, plant and equipment under development	1,639.39	4,646.34
		1,639.39	**4,646.34**
	Refer Note 49 (a) for aging schedule of Capital work in progress		
	Refer Note 49 (c) for information relating to estimated completion schedule of Capital work in progress.		
5A	**Intangible Assets under development**		
	Intangible Assets under development	1427.77	
		1,427.77	**-**
	Refer Note 49 (b) for aging schedule of Intangible Assets under development		
6	**Non-current investments**		
	Non Trade		
	Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI		
	i. Investments in Equity Instruments (Quoted)		
	18,600 equity shares (PY : 18,600 no.s) of Rs.10 each in Bank of India Limited, fully paid up	25.27	13.93
	ii. Investments in Equity Instruments (Unquoted)		
	6,00,000 (PY: 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up	60.00	60.00
	42,00,000 (PY: 42,00,000) equity shares of Rs.10 each in Nellai Renewables Private Limited, fully paid up	420.00	420.00
	4166924 (PY: Nil) equity shares of Rs.10 each in Dalavaipuram Renewables Private Ltd fully paid up	416.70	-
	1,19,568 (PY: 1,19,568) equity shares of Rs.10 each in MSE Financial Services Limited. fully paid up *	23.99	23.99
	8,823 (PY : 8,823) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited *	3.83	3.83
	iii. Investments in Equity Instruments of Associate (Unquoted) at cost		
	4,55,00,000 equity shares (PY: 4,55,00,000 nos.) of Rs.10 /- each in Orbion Pharmaceuticals private limited fully paid up	3,692.60	3,982.38
		4,642.39	4,504.13
	Less: Provision for diminution in value of investments	(60.00)	(60.00)
	Total non-current investments	**4,582.39**	**4,444.13**
	Aggregate value of quoted investments	25.27	13.93
	Aggregate market value of quoted investments	25.27	13.93
	Aggregate value of unquoted investments	4,617.12	4,490.20
	Aggregate amount of impairment in value of investments	60.00	60.00

* Pursuant to the Scheme of Arrangement of MSE Financial Services Ltd and SRT Ascendancy Solutions Private Ltd with Madras Enterprises Ltd, 2.60 shares of Madras Enterprises Ltd have been allotted for every one share held in MSE Financial Services Ltd.

		As at March 31, 2024	As at March 31, 2023
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Security deposits for electricity and power	504.71	620.05
	Fixed deposits with banks (with original maturity after 12 month from the reporting date)	1.58	-
	Other Deposits	90.08	67.43
	(Unsecured, considered doubtful)		
	Others	202.66	202.66
	Less : Provision for expected credit loss	(202.66)	(202.66)
		596.37	**687.48**

Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for.

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
8	**Non Current tax assets(Net)**		
	Advance income tax (net of provision for tax)	5130.15	5,130.15
		5,130.15	**5,130.15**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital Advances	912.93	202.11
	(Unsecured, considered doubtful)		
	Advances to suppliers	-	15,333.30
		912.93	15,535.41
	Less: Provision for expected credit loss	-	(15,333.30)
		912.93	**202.11**

Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for. During current year these Advances has been adjusted against the provision by the management.

10	**Inventories**		
	Raw Materials	6,601.01	7,588.65
	Intermediates & Work-in-progress	11,486.56	7,745.00
	Tradeed Goods	-	
	Finished Goods	7,442.50	6,794.66
	Stores and Spare parts	313.06	133.88
	Chemicals and Consumables	289.89	212.54
	Packing Materials	289.59	399.07
		26,422.61	**22,873.80**

Note: The Group has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.

11	**Current Investments**		
	Fair valued through profit and loss		
	Investment in Mutual Funds	-	-
		-	-
12	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	19,554.71	21,519.38
	Trade Receivables which have significant risk increase in credit risk	-	-
	Trade Receivables credit impaired	4,347.91	4,374.42
		23,902.62	25,893.80
	Less: Allowance for expected credit loss	(4,347.91)	(4,374.42)
		19,554.71	**21,519.38**

Note:

Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. except to the extent disclosed in Note 47 relating to amounts receivable from related parties.

Refer Note 46 for information about risk profile of Trade Receivables under Financial Risk Management.

Refer Note 49 (d) for the ageing schedule of Trade Receivables.

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
13	**Cash and cash equivalents**		
	Cash on hand	4.32	0.66
	Balances with banks		
	In current accounts	355.77	2,259.05
	In fixed deposits (having original maturity of less than 3 months)	-	-
		360.09	**2,259.71**
14	**Other Bank Balances**		
	In term deposits with banks (with original maturity within 12 months from the reporting date)	1.46	401.46
	In earmarked accounts		
	In term deposits with banks * (with original maturity within 12 months from the reporting date)	25,909.27	-
	Escrow Accounts	294.86	310.55
	Fractional Shares Payable Bank Account	90.83	90.90
		26,296.42	**802.91**

Note:
* The above deposit represents the unutilized balance (including interst accrued) out of QIP funds raised during the year by the Holding Company which are earmarked for utilization for the purposes specified In the Offer document. Refer Note 54.

		As at March 31, 2024	As at March 31, 2023
15	**Loans**		
	(Unsecured, considered doubtful)		
	Loans to related parties	99.25	99.25
		99.25	99.25
	Less : Allowance for expected credit loss	(99.25)	(99.25)
		-	-

Note : The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to other related parties during the pre-CIRP period have been fully provided for.

		As at March 31, 2024	As at March 31, 2023
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued on deposits	450.48	15.84
		450.48	**15.84**
17	**Current tax assets**		
	Advance income tax (net of provision for tax)	164.32	95.37
		164.32	**95.37**
18	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind		
	Advance to suppliers	1,022.41	935.18
	Prepaid expenses	221.81	379.10
	Export Incentives receivable	30.19	-
	Balances with Statutory Authorities	4,549.32	1,217.07
	Other deposits	2.65	2.61
		5,826.38	2,533.96
	(Unsecured, considered doubtful)		
	Advances to Suppliers	29.05	29.05
	Less : Allowance for expected credit loss	(29.05)	(29.05)
		5,826.38	**2,533.96**

Note :The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for.

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
fully provided for.		

19 Capital

	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each*	15,010.00	15,010.00
	15,010.00	**15,010.00**

* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation.

	As at March 31, 2024	As at March 31, 2023
Issued Share Capital		
5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each	5,071.91	4,081.64
	5,071.91	**4,081.64**
Subscribed and fully paid up share capital		
5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each fully paip up	5,071.91	4,081.64
	5,071.91	**4,081.64**

Notes:

(a) **Reconciliation of number of equity shares subscribed**

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the period (Nos.)	4,08,16,400	4,08,16,400
Additions during the period	99,02,705	-
Balance at the end of the period (Nos.)	**5,07,19,105**	**4,08,16,400**

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

Name of the share holders	March 31, 2024		March 31, 2023	
	No of shares	%	No of shares	%
Dhanuka Laboratories Limited	3,54,19,957	69.84	3,67,19,957	89.96
Quant Mutual Fund	34,65,947	6.83	3,67,19,957	89.96

(c) **Shares held by promoters at the end of the year**

Name of	March 31, 2024		March 31, 2023		% of change
	No of shares	% age	No of shares	% age	
Dhanuka Laboratories Limited (Holding Company)	3,54,19,957	69.84	3,67,19,957	89.96	-20.12

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

The Group has only one class of equity shares having a par value of Rs.10 each. The equity shares of the Group having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Group has not proposed any dividend.

20 Other Equity

	As at March 31, 2024	As at March 31, 2023
Capital Reserve	5,105.69	5,105.69
Capital Reserve on Amalgamation	1,63,125.58	1,63,125.58
Securities Premium Reserve	84,651.80	46,447.86
Equity component of Optionally convertible debentures	6,856.06	6,856.06
General Reserve	55,851.90	55,851.90
Foreign Currency Fluctuation Reserve	13,929.08	14,224.51
Other Comprehensive Income	7.05	(4.29)
Retained Earnings	(2,17,652.46)	(2,26,824.05)
	1,11,874.70	**64,783.26**

a) Capital reserve

Balance at the beginning and end of the year	**5,105.69**	**5,105.69**

Capital reserve was created in the earlier years in respect of business acquired by the Group. The Group can use this reserve for issuing fully paid up Bonus shares.

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	As at March 31, 2024	As at March 31, 2023
b) Capital Reserve on Amalgamation		
Balance at the beginning and end of the year	**1,63,125.58**	**1,63,125.58**

Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Group. The Group can use this reserve for issuing fully paid up Bonus shares.

c) Securities Premium Reserve		
Balance at the beginning of the year	46,447.86	46,447.86
Additions during the period (net of share issue expenses adjusted of Rs. 805.79 lakhs)	38,203.94	-
Balance at the end of the year	**84,651.80**	**46,447.86**

Securities Premium was credited when shares are issued at a premium. The Group can use this reserve to issue bonus shares. to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on any issue of shares or debentures of the Group

d) Equity component of Optionally convertible debentures		
Balance at the beginning and end of the year	**6,856.06**	**6,856.06**

This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Group completed the conversion of the debentures into equity.

e) General Reserve		
Balance at the beginning and end of the year	**55,851.90**	**55,851.90**

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Group can use it for declaration of dividends. subject to the conditions prescribed by the Companies Act, 2013.

f) Foreign Currency Fluctuation Reserve		
Balance at the beginning of the year	14,224.51	14,711.55
Additions/ (deductions) during the year	(295.43)	(487.04)
Balance at the end of the year	**13,929.08**	**14,224.51**

Foreign Currency Fluctuation Reserve represents the cumulative impact of translating the financial statements of foreign subsidiaries. The same will be reclassified to the profit and loss account on disposal of investments in those subsidiaries in accordance with Ind AS 21.

g) Other Comprehensive Income		
Balance at the beginning of the year	(4.29)	(9.69)
Additions during the year	(33.72)	(17.88)
Deductions/Adjustments during the year	45.06	23.28
Balance at the end of the year	**7.05**	**(4.29)**

Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Group has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Group transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

h) Retained Earnings		
Balance at the beginning of the year	(2,26,824.05)	(2,31,432.60)
Net Profit /(loss) for the year	9,216.65	4,631.83
Transfer from Other Comprehensive Income	(45.06)	(23.28)
Balance at the end of the year	**(2,17,652.46)**	**(2,26,824.05)**

Retained Earnings represent the undistributed profits/ accumulated losses of the Group remaining after transfer to other Reserves.

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(All amounts are in INR lakhs. except share data and unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
21	**Long Term Borrowings**		
	Secured *		
	From Banks		
	Rupee Term Loans	22.07	3,205.16
	Foreign Currency term Loans	-	4,959.26
	Unsecured		
	0% Optionally Convertible Debentures	12,020.91	10,875.10
		12,042.98	19,039.52
	Less: Current maturities of long term borrowings (refer Note 25)	-	(4,155.76)
		12,042.98	**14,883.76**

Note :

* Refer Note 45 for repayment terms and security details

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC. within the prescribed time or within the extended time requiring the payment of additional fees

Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.

		As at March 31, 2024	As at March 31, 2023
22	**Lease liability - non current**		
	Lease liability	37.00	-
		37.00	**-**
23	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	119.37	1,011.32
	Compensated absences	244.00	248.86
		363.37	**1,260.18**
24	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Property, plant and equipment	11,081.42	8,610.56
	On Others	-	322.62
		11,081.42	8,933.18
	Deferred Tax Asset		
	On unabsorbed tax depreciation	11,081.42	8,610.56
		11,081.42	8,610.56
	Net deferred tax asset / (liability)	**-**	**(322.62)**

Note: In view of carry forward tax losses. the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability

		As at March 31, 2024	As at March 31, 2023
25	**Current liabilities - Borrowings**		
	Secured		
	Cash Credit Facility / Working Capital Demand Loans and Buyers Credit	1,404.75	14,095.05
	Current maturities of long term borrowings (refer Note 21)	-	4,155.76
		1,404.75	**18,250.81**

* Refer Note 45 for repayment terms and security details

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Group, present and future. The quarterly returns or statements filed by the Group with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

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	As at March 31, 2024	As at March 31, 2023

Quarter ended	As per financials	As per returns filed with banks	Difference	Reason
June 30, 2023	20011.71	19297.30	714.41	The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 475..55 lacs)

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.

		As at March 31, 2024	As at March 31, 2023
26	**Lease liability - Current**		
	Lease liability	33.33	-
		33.33	**-**
27	**Trade payables**		
	Dues to Micro enterprises and Small enterprises	866.53	158.44
	Dues to Creditors other than Micro and Small enterprises	22,091.16	17,278.37
		22,957.69	**17,436.81**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer Note 41.

Refer Note 46 for information about risk profile of trade payables under Financial Risk Management.

Refer Note 49 (e) for information about aging of Trade Payables

		As at March 31, 2024	As at March 31, 2023
28	**Provisions- Current**		
	Provision for employee benefits		
	Gratuity	160.73	299.41
	Leave encashment	47.74	49.19
		208.47	**348.60**
29	**Other current liabilities**		
	Statutory Liabilities	359.06	148.36
	Fractional Share amount payable to shareholders	90.84	90.91
	Employee payables	748.63	746.09
	Advance and deposits from customers etc.,	194.66	167.59
		1,393.19	**1,152.95**

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
30	**Revenue from operations**		
	Sale of Products	81,512.03	65,561.06
	Sale of Services	99.44	104.52
	Other Operating Revenues		
	Sale of Other Materials	295.16	924.26
	Export promotion incentives	30.19	-
		81,936.82	**66,589.84**
31	**Other income**		
	Interest income on Bank Deposits etc	1,634.81	61.80
	Profit on sale of property, plant and equipment	-	93.55
	Foreign exchange gain (net)	673.46	520.14
	Profit on sale of investments	-	1.54
	Other non-operating income	778.01	1,266.02
		3,086.28	**1,943.05**
32	**Cost of materials consumed**		
	Opening inventory of raw materials	7,588.65	4,283.13
	Add : Purchases	51,847.67	43,915.13
	Less : Closing inventory of raw materials	(6,601.01)	(7,588.65)
		52,835.31	**40,609.61**
33	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening stock		
	Intermediates & Work-in-progress	7,745.00	6,907.63
	Traded Goods		
	Finished Goods	6,794.66	5,484.49
		14,539.66	**12,392.12**
	Closing stock		
	Intermediates & Work-in-progress	11,486.56	7,745.00
	Traded Goods		
	Finished Goods	7,442.50	6,794.66
		18,929.06	**14,539.66**
	Total changes in inventories	**4,389.40**	**2,147.54**
34	**Employee benefits expense**		
	Salaries and wages	5,891.97	5,449.92
	Contribution to provident and other funds	393.63	424.91
	Staff welfare expenses	678.57	660.21
		6,964.17	**6,535.04**
35	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	3,177.20	5,477.90
	Amortisation of Right of use assets	33.45	-
	Amortisation of Intangible Assets	113.06	0.78
		3,323.71	**5,478.68**
36	**Finance Cost**		
	Interest on Bank Borrowings	222.04	1,527.85
	Less : Transferred to Capital work in progress	133.05	69.32
	Net interest on bank borrowings	88.99	1,458.53
	Interest on Others	1,546.46	1,764.04
		1,635.45	**3,222.57**

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ORCHID PHARMA LIMITED Chengalpattu

Orchid Pharma Limited

Notes to the Consolidated financial statements as at and for the year ended March 31, 2024

(All amounts are in INR lakhs, except share data and unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
37	**Other expenses**		
	Power and Fuel	6,292.48	6,126.21
	Consumption of Stores, Spares & Chemicals	1,392.75	1,255.53
	Rent	1.93	0.35
	Repairs to buildings	163.78	134.60
	Repairs to Machinery	84.06	83.02
	Factory maintenance	1,624.58	1,445.75
	Insurance	425.40	395.91
	Rates & Taxes	156.81	98.24
	Research & Development Expenses	709.37	636.21
	Advertisement	3.04	4.06
	Payment to Auditors [refer note 37 (a)]	32.00	35.25
	Cost Audit fee	2.00	2.00
	Travelling and Conveyance	110.95	51.21
	Directors' remuneration & perquisites	696.89	236.21
	Directors' travelling expenses	71.27	52.05
	Directors' sitting fees	9.70	8.00
	Freight outward	702.99	698.41
	Commission on sales	1,598.45	675.02
	Business promotion and selling expenses	81.15	56.14
	Lease rentals	332.24	101.25
	Professional consultancy charges	383.24	445.49
	Allowance for expected credit loss	(26.51)	118.83
	Bank charges	38.11	67.65
	Loss on sale/ discard of property, plant and equipment	18.84	16.09
	Advances / Debit balances written off (Net)	46.27	-
	Miscellaneous expenses	507.55	487.41
		15,459.34	**13,230.88**
37 (a)	**Payment to Auditors ***		
	For statutory audit	14.50	16.50
	For issuing limited review reports	7.50	7.50
	For tax audit	2.00	2.00
	For certificate and other services #	8.00	9.25
	Out of pocket expenses	-	-
		32.00	**35.25**

* Excludes Payment towards the certification services of QIP of Rs. 23.50 lakhs which was adjusted against the share premium account

including Rs. 8.25 lakhs paid to earstwhile auditors in the previous year figures

38 Taxes on Income

Income tax expense

Income tax expense	10.71	-
	10.71	**-**

Movement of deferred tax expense

For the year ended March 31, 2024

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(8,610.56)	(2,470.86)	-	(11,081.42)
Unabsorbed tax depreciation*	8,610.56	2,470.86	-	11,081.42
Other temporary differences	(322.62)	322.62	-	-
	(322.62)	**322.62**	**-**	**-**

For the year ended March 31, 2023

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(8,283.47)	(327.09)	-	(8,610.56)
Unabsorbed tax depreciation*	8,283.47	327.09	-	8,610.56
Other temporary differences	(322.62)	-	-	(322.62)

ORCHID PHARMA LIMITED Chengalpattu

(All amounts are in INR lakhs, except share data and unless otherwise stated)

	(322.62)	**-**	**-**	**(322.62)**

* Since the Group has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that sufficient future taxable income will be available for setting off the same.

39 Earnings per share

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year from continuing operations attributable to owners of the Group	9,216.65	5,309.34
Profit for the year from discontinued Operations attributable to the owners of the Group	-	(677.51)
Profit for the year from continued and discontinued Operations attributable to the owners of the Group	9,216.65	4,631.83
Weighted average number of ordinary shares outstanding	4,83,65,183	4,08,16,400
Earnings per equity share (For continuing operations):		
- Basic (Rs.)	19.06	13.01
- Diluted (Rs.)	19.06	13.01
Earnings per equity share (For discontinued operations) :		
- Basic (Rs.)	-	(1.67)
- Diluted (Rs.)	-	(1.67)
Earnings per equity share (For discontinued & continuing operations) :		
- Basic (Rs.)	19.06	11.35
- Diluted (Rs.)	19.06	11.35

40 Expenditure on Research and Development

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes:		
Power and fuel	-	-
Consumption of stores, spares and chemicals	148.35	133.31
Salaries, wages and bonus	483.69	402.62
Contribution to Provident and other funds	24.65	18.78
Travelling and conveyance	6.15	0.27
Filing and registration expenses	0.77	0.88
Professional consultancy charges	6.75	63.96
Others	39.01	16.39
Total	**709.37**	**636.21**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) The principal amount remaining unpaid at the end of the year	866.53	158.44
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	15.51

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

42 Commitments and contingent liabilities

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contingent Liability		
Claims against the Group not acknowledged as debts		
- Income Tax dispute pending before High Court of Chennai*	-	-
- GST tax dispute pending before Commissioner Appeals *	-	-
- Electricity Department claim #	80.93	52.26
- Other claims **	4,251.46	3,456.78
Unexpired Letter of Credits and Bank Guarantees	1,364.65	738.56
Commitments		

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Estimated amount of contracts remaining to be executed on capital account and not provided for	3,096.11	675.43

* The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s).

Considering the above, all statutory liabilities of the Holding Company of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

** The Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,871.68 Lakhs upto March 31, 2024 (FY : 2022-23 Rs. 3,077.00 lacs)in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

The Group is in the process of discussion with the Lessor for the out of court settlement.

\# Tax demand from Electricity board is under dispute and considered as contingent liability from 01.04.2020

43 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, 2024	Year ended March 31, 2023
India	14,935.94	10,388.91
Rest of the world	66,576.09	55,172.15
	81,512.03	**65,561.06**

(b) Non current assets

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

44 Operating lease arrangements

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As Lessee		
The Group has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	332.24	101.25

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45 Terms and conditions of borrowings

A) Long term borrowings - Term loans from banks

1) Foreign Currency Term Loan:

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in July 2023 the Group had prepaid and fully settled the said Loan.

2) Rupee Term Loan :

Rupee term loan of Rs.5,000 Lakhs was sanctioned during the financial year 2022-23 with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. The outstanding amount of Rs. 3205.16 lakhs has been prepaid in the month of July 2023 out of QIP funds.

The above Loans were secured by way of :

i) Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation,both present and future

ii) First pari passu charge over

a) all other movable fixed assets of the Company by way of hypothecation, both present and future

b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future

c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time

d) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.

e) intangibles, goodwill, uncalled capital , present and future

iii) The term loans were additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

3) Long term borrowings - 0% Optionally Convertible Debentures

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Holding Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

B) Short term borrowings

During the year YES Bank has renewed Rs.7,500 Lakhs Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. During the year HDFC bank has renewed Rs.14,900 Lakhs of Working cpaital credit facilities. The present rate of interest is 8.25%. to 8.91% per annum.Both the facilities have been availed by the Holding Company

The cash credit limits and working capital demand loan with the banks are secured by:

i) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.

iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.

iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.

v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company. in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.

vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.

vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Holding Company Mr. Manish Dhanuka and one of the director of the ultimate holding company Mr. Mahendra Kumar Dhanuka

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

46 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, 2024	March 31, 2023
Debt	12,042.98	19,039.52
Less: Cash and bank balances	361.55	2,661.17
Net debt	11,681.43	16,378.35
Total equity	1,16,946.61	68,864.90
Gearing ratio (%)	9.99%	23.78%

Categories of Financial Instruments	March 31, 2024	March 31, 2023
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	596.37	687.48
Investment in Associates	3,692.60	3,982.38
Trade receivables	19,554.71	21,519.38
Cash and cash equivalents	360.09	2,259.71
Bank balances other than above	26,296.42	802.91
Other financial assets	450.48	15.84
b. Mandatorily measured at FVTOCI		
Investments	889.79	461.75
c. Mandatorily measured at FVTPL		
Investments	-	-
Total	**51,840.46**	**29,729.45**
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current, excluding current maturities)	12,042.98	14,883.76
Borrowings (current)	1,404.75	18,250.81
Trade payables	22,957.69	17,436.81
Lease liabilities	70.33	-
b. Mandatorily measured at FVTPL		
Derivative instruments	Nil	Nil
Total	**36,475.75**	**50,571.38**

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2024

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	59.63	-	59.63	249.66	-	249.66	190.03
EUR	2.05	-	2.05	2.39	-	2.39	0.34
Others	2.14	-	2.14	-	-	-	(2.14)
In INR	5,114.04	-	5,114.04	19,676.74	-	19,676.74	14,562.70

As on March 31, 2023

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	143.84	-	143.84	269.02	-	269.02	125.18
EUR	1.91	-	1.91	0.97	-	0.97	(0.94)
Others	0.02	-	0.02	-	-	-	(0.02)
In INR	12,049.05	-	12,049.05	22,110.48	-	22,110.48	10,061.43

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, 2024 would decrease/ increase by Rs. 3.57 lakhs (March 31, 2023 : Rs.55.09 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities,

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

including deposits with banks and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks. short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents. deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	22,957.69	-	-	22,957.69
Borrowings (including interest accrued thereon upto the reporting date)	1,404.75	12,042.98	-	13,447.73
Lease Liabilities	33.33	37.00		70.33
	24,395.77	12,079.98	-	36,475.75

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	17,436.81	-	-	17,436.81
Borrowings (including interest accrued thereon upto the reporting date)	5,978.84	14,778.80	12,376.93	33,134.57
Lease Liabilities	-	-	-	-
	23,415.65	14,778.80	12,376.93	50,571.38

	March 31, 2024	March 31, 2023
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)	Nil	Nil

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47 Related party disclosure

a) Name of related party and nature of relationship

Ultimate Holding Company	Dhanuka Laboratories Limited
Associate Company	Orbion Pharmaceuticals Private Limited
Key Management Personnel and their relatives	
Mr. Ram Gopal Agarwal	Chairman and non executive director
Mr. Manish Dhanuka	Managing Director
Mr. Mridul Dhanuka	Wholetime Director
Mr. Arjun Dhanuka	Director (w.e.f 20th October, 2023)
Mr. Mahendra Kumar Dhanuka	Relative of Directors
Mr. Sunil Gupta	Chief Financial
Mr. Kapil Dayya	Company Secretary (w.e.f. 16th December, 2023)
Ms. Marina Peter (w.e.f. 06.09.2022)	Company Secretary (upto 12th December , 2023)
Enterprises in which the KMPs are having control/ significant influence	Otsuka Chemical (India) Pvt Ltd
	Synmedic Laboratories
	Dhanuka Agritech Ltd.
	Invest Care Real Estate LLP
	Golden Overseas Private Ltd.
	M D Buildtech Private Ltd.
	Agrihawk Technologies Private Ltd.
	Star Living Infrastructure Advisors LLP
	Dhanuka Chemicals Private Ltd.
	H D Realtors Private Ltd.
	Turbos Advisers LLP

b) Transactions with related parties are as follows

Particulars	Ultimate Holding Company		Associate		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Remuneration & Short term benefits*	-	-			-	-	777.66	246.69
Sale of goods	1,620.80	817.62	17.09	5.05	33.33	107.50		
Purchase of goods	2,583.96	2,172.80			17,012.94	13,406.93		
Purchase of Land and Buildings	-	2,696.13			-	1,971.62		
Lease income	174.42	147.15			118.76	100.19		
Rent deposit paid					-	19.10		
Lease rent paid					46.01			
Expenses paid	0.69	0.16			2.78			
Share of Profit/ (Loss) of Associate			(289.78)	(215.35)				
Sale of Undertaking				(105.81)				
Loans/Advances received	1,500.00	-						
Loans/Advances received repaid	1,500.00	-						

*Post employment benefit comprising gratuity and compensated absences is not disclosed as these are determined for the Group as a whole.

c) Balances with related parties are as follows

Particulars	Ultimate Holding Company		Associate		Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade receivables	409.66	39.22			-	75.62		
Trade payables	632.84	428.39			6,213.56	3,481.99		
Rent deposit					19.10	19.10		
Remuneration payable							313.46	45.96
Investment in Associate			3692.60	3982.38				
0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity")	14300.00	14300.00						

(All amounts are in INR lakhs, except share data and unless otherwise stated)

d) Material related party transactions are as follows

Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration & Short term benefits		
Manish Dhanuka	355.10	118.11
Mridul Dhanuka	355.10	118.11
Sunil Gupta	54.83	-
Kapil Dayya	4.29	-
Marina Peter	8.34	7.30
Sale of goods		
Synmedic Laboratories	33.33	107.50
Dhanuka Laboratories Limited	1,620.80	817.62
Orbion Pharmaceuticals Private Limited	17.09	5.05
Purchase of goods		
Dhanuka Laboratories Limited	2,583.96	2,172.80
Otsuka Chemical (India) Pvt Ltd	16,990.24	13,406.93
Synmedic Laboratories	22.71	-
Purchase of Land and buildings		
Dhanuka Laboratories Limited	-	2,696.13
Synmedic Laboratories	-	1,971.62
Rental deposit paid		
Dhanuka Agritech Limited	-	19.10
Lease rentals for Land and buildings received		
Dhanuka Laboratories Limited	174.42	147.15
Synmedic Laboratories	118.76	100.19
Sale of Undertaking		
Orbion Pharmaceuticals Private Limited	-	(105.81)
Share of Profit/ (Loss) of Associate		
Orbion Pharmaceuticals Private Limited	(289.78)	(215.35)
Loans and advances received		
Dhanuka Laboratories Limited	1,500.00	-
Loans and advances received repaid		
Dhanuka Laboratories Limited	1,500.00	-

e) Material related party balances are follows

Name of the related party	As at March 31, 2024	As at March 31, 2023
Trade payables		
Dhanuka Laboratories Limited	632.84	428.39
Otsuka Chemical (India) Pvt Ltd	6,212.93	3,481.99
Synmedic Laboratories	0.63	-
Trade receivables		
Dhanuka Laboratories Limited	409.66	39.22
Synmedic Laboratories	-	75.62
Rental deposit paid		
Dhanuka Agritech Limited	19.10	19.10
Investment in Associate		
Orbion Pharmaceuticals Private Limited	3,692.60	3,982.38
Equity Share Capital		
Dhanuka Laboratories Limited	3,542.00	3,672.00
0% Optionally Convertible Debentures		
(including the equity component disclosed under "Other Equity")		
Dhanuka Laboratories Limited	14,300.00	14,300.00
Remuneration payable	313.46	45.96

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48 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Group are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.393.63 Lakhs (for the year ended March 31, 2023: Rs. 424.91 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 Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	7.19%	7.27%
Rate of increase in compensation level	7.00%	7.00%
Expected return on plan assets	7.27%	7.04%
Mortality	Indian Assured Lives Mortality (2012-14)(Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2024**	**March 31, 2023**
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	97.62	88.48
Net interest expense	111.91	97.47
Return on plan assets (excluding amounts included in net interest	(85.12)	(18.48)
Components of defined benefit costs recognised in profit or loss	**124.41**	**167.47**
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	45.06	23.28
Components of defined benefit costs recognised in other	**45.06**	**23.28**
Components of defined benefit costs recognised in other comprehensive income	**169.47**	**190.75**

i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.

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(All amounts are in INR lakhs, except share data and unless otherwise stated)

ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

	March 31, 2024	March 31, 2023
Present value of defined benefit obligation	1,757.10	1,588.19
Fair value of plan assets	(1,477.00)	(277.46)
Net liability/ (asset) arising from defined benefit obligation	**280.10**	**1,310.73**
Funded	280.10	1,310.73
Unfunded	-	-
	280.10	**1,310.73**

The above provisions are reflected under 'Provision for employee benefits - Gratuity' (Non current provisions) [Refer Note 23] and 'Provision for employee benefits - Gratuity' (Current provisions) [Refer Note 28].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2024	March 31, 2023
Opening defined benefit obligation	1,588.19	1,440.26
Current service cost	97.62	88.48
Interest cost	111.91	97.47
Actuarial (gains)/losses	56.71	73.58
Benefits paid	(97.33)	(111.60)
Closing defined benefit obligation	**1,757.10**	**1,588.19**

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	277.46	316.24
Contributions paid	1,200.10	4.04
Return on plan assets	85.12	18.48
Benefits paid	(97.33)	(111.60)
Actuarial gains/(loss)	11.65	50.30
Closing fair value of plan assets	**1,477.00**	**277.46**

Sensitivity analysis

In view of the fact that the Group for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

The above provisions are reflected under 'Provision for employee benefits - Compensated absences' (Non current provisions) [Refer Note 23] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer Note 28].

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49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Ageing Schedule of Capital Work-in-Progress (CWIP) :

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,602.23	37.16	-	-	1,639.39
(ii) Projects temporarily suspended	-	-	-	-	-
	1,602.23	**37.16**	**-**	**-**	**1,639.39**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	3,667.92	242.87	1.57	733.98	4,646.34
(ii) Projects temporarily suspended	-	-	-	-	-
	3,667.92	**242.87**	**1.57**	**733.98**	**4,646.34**

(b) Ageing Schedule of Intangible assets under development :

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	1,427.77	-	-	-	1,427.77
(ii) Projects temporarily suspended	-	-	-	-	-
	1,427.77	**-**	**-**	**-**	**1,427.77**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

(c) Completion Schedule for Capital Work-in-Progress whose completion is overdue

As at March 31, 2024

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-
	-	**-**			**-**

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nil	-	-	-	-	-
	-	**-**			**-**

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(All amounts are INR lakhs, except share data and unless otherwise stated)

(d) Ageing Schedule of Trade Receivables

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	14,690.17	4,226.12	20.75	-	-	-	18,937.04
Which have significant increase in credit risk and considered doubtful	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	4,705.97	4,705.97
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful						-	-
Credit impaired	-	-	-	-	-	259.61	259.61
	14,690.17	**4,226.12**	**20.75**	**-**	**-**	**4,965.58**	**23,902.62**
Less: Expected Credit Loss Allowance							**(4,347.91)**
							19,554.71

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	15,810.32	5,380.41	-	-	-	-	21,190.73
Which have significant increase in credit risk and considered doubtful	0	0	0	0	0	0	-
Credit impaired	-	-	-	-	348.00	4,095.46	4,443.46
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk and considered doubtful						-	-
Credit impaired	-	-	-	-	-	259.61	259.61
							25,893.80
Less: Expected Credit Loss Allowance							**(4,374.42)**
							21,519.38

(e) Ageing Schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i). MSME	770.55	91.58	3.97	0.03	0.40	866.53
(ii) Others	6,310.36	8,650.21	292.99	140.93	5,187.39	20,581.88
(iii). Disputed Dues - MSME	-	-	-	-	-	
(iv). Disputed Dues - Others	-	-	-	-	-	
(v). Unbilled Dues	1,509.28	-	-	-	-	1,509.28
	8,590.19	**8,741.79**	**296.96**	**140.96**	**5,187.79**	**22,957.69**
As at March 31, 2023						
(i). MSME	96.91	41.94	1.30	1.14	17.15	158.44
(ii) Others	8,660.25	2,167.71	134.23	126.43	5,089.00	16,177.62
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iv). Disputed Dues - Others	-	-	-	-	-	-
(v). Unbilled Dues	1,035.91	58.70	6.14	-	-	1,100.75
	9,793.07	**2,268.35**	**141.67**	**127.57 -**	**5,106.15**	**17,436.81**

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(f) Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(g) Borrowings from banks

The Group is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(h) Relationship with Struck off Companies

The Group did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Group.

(i) Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(k) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income

The Group do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(m) Details of Crypto Currency or Virtual Currency

The Group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

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50A Disclosure of interests in subsidiary companies consolidated as per Ind AS 110 'Consolidated Financial Statements"

Name of enterprise *	Country of Incorporation	Proportion of ownership interest
Orchid Europe Limited, UK (Upto 27.09.2022)	UK	100.00%
Orchid Pharmaceuticals Inc., USA	USA	100.00%
Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)	USA	100.00%
Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)	USA	100.00%
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (upto 31.01.2024)	South Africa	100.00%
Bexel Pharmaceuticals Inc., USA	USA	100.00%
Diakron Pharmaceuticals Inc., USA **	USA	76.65%
Orchid Bio-Pharma Limited , India	India	100.00%

* All the above companies, except Orchid Bio-Pharma Limited, are not in operation and the investments are fully provided by the holding company

** Since the company is not operational and fully provided for, no non-controlling interest has been considered

50B Disclosure of interests in associate company consolidated under equity method as per Ind AS 28 "Investments in Associates and Joint Ventures"

Name of enterprise *	Place of Business/ Country of Incorporation	Proportion of ownership interest	Share in Total Comprehensive Income under equity method
Orbion Pharmaceuticals Private Limited	India	26.00%	(289.78)

50C 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 Pharmaceuticals Inc., USA and its subsidiaries	-4.35%	(5,083.88)	0.00%	-	-	-	0.00%	-
Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa	-	-	-	-	-	-	-	-
Bexel Pharmaceuticals Inc., USA	-0.13%	(148.30)	0.00%	-	-	-	0.00%	-
Diakron Pharmaceuticals Inc., USA	-2.74%	(3,203.68)	0.00%	-	-	-	0.00%	-
Orchid Bio-Pharma Limited , India	1.28%	1,494.81	0.34%	31.46	-	-	0.34%	31.46

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51 Disclosure of Leases

	As at March 31, 2024	As at March 31, 2023

(i) Changes in the carrying value of right-of-use assets.

Particulars	Category of Right-of-use asset	
	Building	Building
Balance as at 1st April, 2022	-	-
Additions during the year	-	-
Termination during the year	-	-
Depreciation	-	-
Balance as at 31st March, 2023	-	-
Additions during the year	100.36	-
Termination during the year	-	-
Depreciation	(33.45)	-
Balance as at 31st March, 2024	**66.91**	-

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 35)

(ii) Movement in Lease Liabilities

Particulars		
Opening Balance	-	-
Additions during the year	100.36	-
Finance cost accrued during the year	11.04	-
Termination during the year	-	-
Payment of lease liabilities	(41.07)	-
Closing Balance	**70.33**	-

(iii) Break-up of current and non-current lease liabilities.

Particulars		
Non-current lease liabilities	37.00	-
Current lease liabilities	33.33	-
Total	**70.33**	-

(iv) Contractual maturities of lease liabilities on undiscounted basis.

Particulars		
Not later than one year	41.07	-
Later than one year but not later than five years	41.07	-
Later than five years		
Total	**82.14**	-

52 Audit trail :

The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. The Company has an established process of regularly identifying shortcomings, if any, and updating technological advancements and features including audit trail. The shortcomings identified during the course of audit are being reviewed and corrective action is being taken wherever required.

SINGHI & CO. Chartered Accountants

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53 Discontinuing operations

During the previous year, the Company has completed the sale of Orchid Towers which is previously classified as disposal group as per Ind AS 105. Accordingly the gain of Rs. 3921.04 lacs has been disclosed in exceptional items in profit and loss account.

During the year 2021-22 the Group had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the previous year the related working capital adjustment as per the Sale Agreement was finalised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations .

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

	As at March 31, 2024	As at March 31, 2023
Liabilities		
Non Current liabilities	-	-
Financial Liabilities	-	-
Other Current Liabilities	-	-
		-
Total liabilities	-	-
Assets		
Property, Plant and Equipment (PPE)	-	-
Intangible Assets	-	-
Capital Work in Progress	-	-
Intangible under development	-	-
Non Current Financial Assets	-	-
Current Financial Assets	-	-
Other current assets	-	-
Total Assets	-	-
Net Assets/ (Liabilities)	-	-

(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue		
Revenue from operations	-	-
Other Income	-	-
Other Income (Exceptional income)	-	(105.81)
Total revenue (a)	-	(105.81)
Expenses		
Cost of materials consumed	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	-	-
Employee benefits expense	-	-
Depreciation and amortization expense	-	-
Other expenses	-	571.70
Total expenses (b)	-	571.70
profit/ (Loss) before exceptional item and tax (a-b) = (c)	-	(677.51)
Less : Exceptional item	-	-
Profit/ (Loss) before tax	-	(677.51)
Tax expenses	-	-
Profit/ (Loss) from discontinuing operations	-	(677.51)

As required by Ind AS 105, the Group re-presented the disclosures for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

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Orchid Pharma Limited

Notes to the Consolidated financial statements as at and for the year ended March 31, 2024

(All amounts are INR lakhs, except share data and unless otherwise stated)

54 During the year the Holding Company allotted Equity shares of 99,02,705 fully paid up of face value Rs. 10/- each on 27th June 2023 by way of Qualified Institutional Placement (QIP) whereby proceeds of Rs.39180 Lakhs (Net of Share issue expenses of Rs.805.79 lakhs) was raised. Further, post receipt of Listing Approval and Trading approval dated June 30, 2023, the newly issued shares were available for trading on Stock Exchanges w.e.f. July 03, 2023. As on March 31, 2024. the entire net Proceeds of Rs.39180 Lakhs was received by the Holding Company under the QIP and the Statement of Net funds raised as per Offer document and its utilisation is furnished below :

Particulars	Amount as stated in the Offer Document (Rs. in Lakhs)	Total amount utilised upto March 31, 2024 (Rs. In Lakhs)	Balance amount as on March 31, 2024 kept in Fixed deposits (Rs. In Lakhs)	Remarks
1) Investment in OBPL (subsidiary) for setting up Jammu Manufacturing Facility	9000	412	8588	
2) Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company	14100	14100	-	
3) Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	9982	-	9982	
4) General corporate purposes	6098	512	5860	#
Total	**39180**	**15024**	**24430**	

As per the QIP offer document the amount allocated for General Corporate Purpose (GCP) was Rs. 6098 Lakhs which was based on the proposed net proceeds after issue expenses being Rs. 39180 Lakhs. However, net proceeds transferred to Monitoring Account was Rs. 39454 Lakhs as against the proposed Net Proceeds of Rs. 39180 Lakhs, therefore the surplus amount ofRs. 274 Lakhs has been included in the GCP Balance as on 31st March, 2024

55 During the previous year the Holding Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

56 Previous year figures have been regrouped or rearranged wherever considered necessary.

57 The financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 23, 2024.

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798

Mridul Dhanuka
Wholetime director
DIN: 00199441

Sunil Gupta
Chief Financial Officer

Kapil Dayya
Company Secretary

Place : Gurgaon
Date: May 23, 2024

ORCHID PHARMA LIMITED Chengalpattu

SINGHI & CO. Chartered Accountants