

# ASHOK KUMAR MALHOTRA & ASSOCIATES

## CHARTERED ACCOUNTANTS

To  
The Board of Directors  
Dhanuka Laboratories Limited,  
Linbuzz Business Centre, 2910B,  
313, Valluvar Kottam High Road,  
14th Main Road Anna Nagar West,  
Chennai, Tamil Nadu-600040

We were informed by M/s Dhanuka Laboratories Limited, having its registered office at Linbuzz Business Centre, 2910B, 313, Valluvar Kottam High Road, 14th Main Road Anna Nagar West, Chennai, Tamil Nadu-600040 ("the Company") that the Company is required to provide a certificate from the statutory auditors confirming that the proposed accounting treatment in the Draft Scheme of Amalgamation and Arrangement ("Draft Scheme") between Dhanuka Laboratories Limited and Orchid Pharma Limited is in compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" issued by the Institute of Chartered Accountants of India. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment specified in clause 17 of the Draft Scheme of Amalgamation and Arrangement (relevant extract given in Annexure) between Dhanuka Laboratories Limited and Orchid Pharma Limited in terms of the provisions of sections 230 to 232 of Companies Act, 2013 is in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This certificate is issued in accordance with the terms of our engagement letter dated November 29, 2023 at the request of the Company for onward submission to the National Company Law Tribunal, Securities and Exchange Board of India, Stock Exchanges (i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited) and/or any other regulatory authority, as may be required. This certificate should not be used for any other purpose without our prior written consent.

**For Ashok Kumar Malhotra & Associates**  
Chartered Accountants  
Firm Registration No. 014498C



**Ashok Kumar Malhotra**  
Proprietor  
Membership No. 082258  
UDIN: 23082258BGQUCS1807  
Place: Noida  
Date: December 4, 2023

**Independent Auditor's certificate certifying the accounting treatment contained in the Draft Scheme of Amalgamation between Dhanuka Laboratories Limited and Orchid Pharma Limited and their respective shareholders and creditors**

To

The Board of Directors

Orchid Pharma Limited,

Plot Nos. 121-128, 128A-133, 138-151, 159-164,

SIDCO Industrial Estate, Alathur,

Chengalpattu District

Tamil Nadu -603110

We were informed by M/s Orchid Pharma Limited, having its registered office at Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu District Tamil Nadu - 603110 ("the Company") that the Company is required to provide a certificate from the statutory auditors confirming that the proposed accounting treatment specified in clause 17 of the Draft Scheme of Amalgamation and Arrangement ("Draft Scheme") between Dhanuka Laboratories Limited and Orchid Pharma Limited is in compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

This certificate is issued in accordance with the terms of our engagement letter dated November 29, 2023.

### **Management's responsibility**

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards notified under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation.





### **Auditor's responsibility**

Our responsibility is to examine and report whether the proposed accounting treatment in the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles.

We have issued this Certificate in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" issued by the Institute of Chartered Accountants of India. In accordance with the requirements of the said Guidance Note, we have examined the underlying documents made available to us by the Company and performed the following procedures:

- a) Obtained and reviewed the Draft Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited and Orchid Pharma Limited and their respective shareholders and creditors;
- b) Examined the proposed accounting treatment specified in clause 17 of the Draft Scheme (relevant extract of which duly authenticated by Orchid Pharma Limited is reproduced in Annexure to this Certificate is initialed by us only for the purposes of identification) in terms of the provisions of sections 230 to 232 of Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles; and
- c) Made enquiries and obtained appropriate representations from the management that in drafting the accounting treatment in clause 17 of the Draft Scheme, the management has exercised due care for compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Certificate**

Based on our examination and the procedures performed as aforesaid and according to the information and explanations given to us, we, the statutory auditors of Orchid Pharma Limited hereby confirm that the proposed accounting treatment specified in clause 17 of the Draft Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited and Orchid Pharma Limited and their respective



shareholders and creditors in terms of the provisions of sections 230 to 232 of Companies Act, 2013 attached as Annexure A to this Certificate is in compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

#### **Restriction on use**

This Certificate is issued at the request of Orchid Pharma Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for filing to the National Company Law Tribunal, Securities and Exchange Board of India, Stock Exchanges (i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited) and/or any other regulatory authority, as may be required. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing.

#### **For Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E



**(Sudesh Choraria)**

Partner

Membership No. 204936

UDIN: 23204936BGYYAE8583

Place: Mumbai

Date: December 4, 2023



(Annexure- A )

**17. ACCOUNTING TREATMENT**

**17.1 IN THE BOOKS OF AMALGAMATED COMPANY**

Upon the Scheme becoming effective Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of account in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) as under:

- 17.1.1 All the assets, and liabilities in the books of Amalgamating Company shall be recorded by Amalgamated Company in its books of account at their respective carrying amounts as appearing in the books of Amalgamating Company. No adjustment shall be made to reflect fair values, or recognise any new assets or liabilities.
- 17.1.2 The identity of reserves shall be preserved and shall appear in the merged financial statements of Amalgamated Company, in the same form, in which they appeared in the financial statements of Amalgamating Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Amalgamated Company, in accordance with Appendix C of Ind AS 103.
- 17.1.3 Inter-company transactions and balances including loans, advances, investments (including investments of Amalgamating Company in Amalgamated Company), amount receivable or payable inter-se between the Amalgamating Company and the Amalgamated Company as appearing in their books of account, if any, shall stand cancelled.
- 17.1.4 The equity shares of Amalgamated Company held by Amalgamating Company shall stand cancelled and Amalgamated Company shall credit the aggregate face value of equity shares issued by it to the members of Amalgamating Company pursuant to Clause 16.1 of this Scheme to the equity share capital account in its books of account.
- 17.1.5 The difference, if any, between the net assets transferred to Amalgamated Company pursuant Clause 17.1.1 as reduced by reserves recorded in Amalgamating Company pursuant to Clause



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17.1.2 and after giving effect to adjustments mentioned in Clause 17.1.3 and 17.1.4, shall be adjusted in accordance with Appendix-C of IND-AS 103 (Business Combinations of entities under common control).

17.1.6 In case of any differences in the accounting policies between Amalgamating Company and Amalgamated Company, the impact of the same will be quantified and adjusted in the capital reserves of Amalgamated Company to ensure that the financial statements of Amalgamated Company reflect the true financial position on the basis of consistent accounting policies.

17.1.7 On the Scheme becoming effective, the financial statements of Amalgamated Company (including comparative period presented in the financial statements of Amalgamated Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.

For Orchid Pharma Limited



Manish Dhanuka  
Managing Director



*Initiated for the purpose of  
Identification*

