

S. No.	Particulars	Yes/ No / Not Applicable	Remarks	Annexure (Document Provided)
1	Apportionment of losses of the listed company among the companies involved in the scheme.	Not Applicable	The Draft Scheme of Amalgamation is not related to the Demerger therefore the Apportionment of losses of the listed company among companies involved in the scheme is not applicable.	NA
2	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).	Yes	The Certificate issued by Chartered Accountant stating the details of assets, liabilities, revenue and net worth of the Companies involved in the scheme, both pre and post scheme of arrangement of both companies, along with a write up on the history of the Amalgamating Company is annexed herewith as Annexure A .	Annexure A
3	Any type of arrangement or agreement between the demerged company/resulting company/merged/amalgamated company/creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.	No	There are no Arrangement or Agreement which may have any implications on the Scheme of arrangement as well as on the Shareholders of Listed entity.	Not Applicable
4	Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.	Not Applicable	This requirement is not applicable since no Capital reduction is proposed to be undertaken pursuant to the Scheme	Not Applicable
5	Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.	Not Applicable	This requirement is not applicable since no Capital reduction is proposed to be undertaken pursuant to the Scheme	Not Applicable

6	Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.	Not Applicable	This requirement is not applicable since no Capital reduction is proposed to be undertaken pursuant to the Scheme	Not Applicable
7	The built up of the accumulated losses over the years, certified by CA.	Not Applicable	This requirement is not applicable since no Capital reduction is proposed to be undertaken pursuant to the Scheme	Not Applicable
8	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.	Yes	The Certificates issued by the Statutory Auditors of Amalgamating Company and Amalgamated Company, certifying the accounting treatment, Indian Accounting Standards and relevant sections of Companies Act in draft scheme of amalgamation is annexed herewith as Annexure B .	Annexure B
9	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.	Not Applicable	The Scheme is not a Composite Scheme therefore details of shareholding of companies is not applicable.	Not Applicable
10	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.	Yes	The Dhanuka Laboratories Limited, unlisted company (Amalgamating Company) had issued 39000 Bonus Shares on 05.09.2002.	Not Applicable
11	List of comparable companies considered for comparable companies' multiple method.	Yes	For the List of Comparable Companies Considered for comparable companies' multiple method, kindly refer Annexure-III of the Notice of Meeting. i	Not Applicable
12	Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.	Yes	For the Share Capital built-up for the Dhanuka Laboratories Limited, Unlisted Company involved in the Scheme of Arrangement, kindly refer Annexure- XI to the Notice of Meeting.	Not Applicable
13	Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme.	Yes	Enforcement Directorate ("ED") on August 28, 2020 had imposed a penalty of INR 8.43 Crores on Orchid Pharma Limited ("OPL") on account of contravention of FEMA provisions during the Pre-CIRP Period. OPL challenged the penalty before the Appellate Tribunal and Appellate Tribunal has directed the ED to not give effect to the enforcement of penalty. Pleadings for the same are complete and listed for final arguments on April 24, 2024.	Not Applicable

			<p>We would like to mention that OPL was acquired by Dhanuka Laboratories Limited ("DLL") under the provisions of Insolvency and Bankruptcy Code, 2016 including Rules mentioned therein and pursuant to the approved Resolution Plan (as defined in the Draft Scheme) OPL shall not be liable for any penalty/demand/ defaults pertaining to Pre-CIRP Period.</p> <p>Further, in addition to the aforesaid matter, there are certain routine matters pertaining to the Income Tax and Goods & Service Tax and Civil Cases w.r.t the day to day business activities, which are not likely to have impact on the proposed Scheme.</p>	
14	Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.	Not Applicable	The Draft Scheme of Amalgamation and Arrangement is not related to Demerger and therefore Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years is not applicable.	Not Applicable
15	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.	Yes	The Share swap ratio has arrived, based on the Valuation done by the Registered Valuer considering the Business Values of the Companies as stated therein and fairness opinion issued by Category I, Merchant Banker. Further, the reports had been placed, taken note and confirmed by the Committee of Independent Directors, Audit Committee and Board of Directors in the respective meetings, wherever applicable.	
16	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.	Not Applicable	The Draft Scheme of Amalgamation and Arrangement is not related to Demerger and therefore basis for division of assets and liabilities between divisions of Demerged entity is not applicable.	Not Applicable
17	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.	Yes	<p>The Scheme will be beneficial to public shareholders of listed entity in light of the rationale and synergies reproduced in Annexure C enclosed herewith, which inter-alia indicates the growth prospects of Orchid Pharma Limited ("OPL") pursuant to the proposed merger arising from formation of large & stable company, better synergies etc.</p> <p>Further, it is stated that while the percentage of public shareholding shall reduce from 30.16% (pre-scheme) to 25.55% (post-scheme) due to issuance of shares as merger consideration to the shareholders of Transferor Company (who shall fall under promoter category), however, there shall be no change in the value of public shareholders</p>	Annexure C

			pursuant to the implementation of scheme	
18	Tax/other liability/benefit arising to the entities involved in the scheme, if any.	No	There are no out of the ordinary tax/other liability/benefit arising to the entities involved in the scheme.	Not Applicable
19	Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.	Yes	The Certificate from Registered Valuer, inter-alia, stating the Revenue, PAT and EBIDTA (in value and percentage terms) for all number of years considered for valuation is annexed herewith as Annexure D .	Annexure D
20	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.	Yes	Confirmation from Valuer for Valuation Standards has been mentioned in para 6.1 of the Valuation Report dated December 06, 2023, annexed as Annexure-III to the Notice of Meeting..	Not Applicable
21	Confirmation from Company that the scheme is in compliance with the applicable securities laws.	Yes	Confirmation stating the Scheme is in compliance with applicable securities laws is annexed herewith as Annexure E .	Annexure E
22	Confirmation that the arrangement proposed in the scheme is yet to be executed.	Yes	Confirmation stating that the arrangement proposed in the scheme is yet to be executed is annexed herewith as Annexure F .	Annexure F

For **Orchid Pharma Limited**

Sd/-

Kapil Dayya

Company Secretary & Compliance Officer



UG-5, Tirupati Plaza, A-212 C, Shakarpur, Lane No.-1, Vikas Marg, Delhi-110092 (India)
Tel. : +91-11-46563217, E-mail : cajp2006@gmail.com

To

The Board of Directors,
Orchid Pharma Limited
Plot No 121-128, 128A-133, 138-151, 159-164
SIDCO Industrial Estate, Alathur, Chengalpattu,
Tamil Nadu – 603110

Certificate of Independent Practicing Chartered Accountants on Assets, Liabilities, Net Worth and Revenue (Both Pre and Post Scheme of Arrangement) of Orchid Pharma Limited as on 30th September, 2023 pursuant to the Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited ("Transferor Company") and Orchid Pharma Limited ("Transferee Company") and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

1. We, JPY AND ASSOCIATES, Chartered Accountants, are informed by the management of Orchid Pharma Limited (hereinafter "the Company" or "OPL") that the Board of Directors of the Company in their meeting held on 06 December, 2023 have approved the Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited ("DLL") with Orchid Pharma Limited and their respective shareholders and creditors ("Scheme of Amalgamation and Arrangement" / "Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013.
2. We have been requested by the Company to certify the statement of the Assets, Liabilities, Net Worth and Revenue (Both Pre and Post Scheme of Arrangement) of the Company as on 30th September, 2023 along with history of the Transferor Company.
3. The attached statement (Annexure A) containing the details of the Assets, Liabilities and Revenue (Both Pre and Post Scheme of Arrangement) of the companies involved in the Scheme as on 30th September, 2023, have been prepared by the management of the Company based on the Limited reviewed standalone financial statements of the Company for the period ended 30th September, 2023 and audited financial statements of DLL for the period ended 30th September 2023 along with books of accounts and other related records of the respective companies.
4. Attached Annexure B contains both pre and post net worth of the companies involved in the Scheme
5. Attached Annexure C contains brief history of Transferor Company (i.e., DLL)

Management's responsibility

6. The management of the Company is responsible for preparation of the above statement and write up of brief history including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.



Practicing Chartered Accountants Responsibility

7. Our responsibility, for the purpose of this Certification, is limited to certifying the particulars contained in the attached statement on the basis of Limited reviewed standalone financial statements of the Company for the period ended 30th September, 2023 and audited financial statements of DLL for the period ended 30th September, 2023 along with books of account, management representations and other related records of the respective companies.
8. We conducted our verification in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India, which include the concept of test checks and materially. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

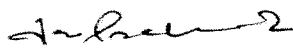
Opinion

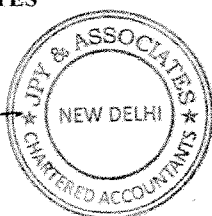
10. Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audit or investigations in an attempt to verify or confirm any of the information supplied to us. Based on our examination as above and the information, explanations and management representations provided to us, nothing has come to our attention that causes us to believe that the details provided to us are false or inaccurate.

Restriction on use

11. The aforesaid details has been provided solely as per the requirements of stock exchange for filing in connection with obtaining its "no objection certificate" to the proposed Scheme, and is not to be considered for any other purpose except filing to the National Company Law Tribunal or any other appropriate authority in connection with the Scheme, if required.

For JPY AND ASSOCIATES
Chartered Accountants


(Jai Prakash Yadav)
Membership No. 506839
Registration No. 021704N
UDIN-24506839BKCOHH9117



Place: NEW DELHI
Date: 09-01-2024

Annexure-A

Total Assets, Total Liabilities, Net Worth and Total Income (Both Pre and Post Scheme of respectively Arrangement) of the Company as at 30th September, 2023

(All amounts are INR lakhs, except share data and unless otherwise stated)

	OPL As at Sept 30, 2023	DLL as on Sept. 30, 2023	Post Amalgamation
ASSETS			
Non-current assets			
Property, plant and equipment	55,906.64	8,065.60	63,972.24
Intangible assets	35.80		35.80
Capital work in progress	6,088.02		6,088.02
Intangible assets under development	465.81		465.81
Financial assets			
Investments	6,934.63	21,855.00	10,817.63
Other financial assets	25,928.70	332.45	26,261.15
Non Current tax assets (net)	5,130.15		5,130.15
Other non current assets	468.51		468.51
Total non-current assets	1,00,958.26	30,253.05	1,13,239.31
Current assets			
Inventories	22,236.07	14,931.65	37,167.72
Financial assets			
Investments			
Trade receivables	18,423.94	13,434.06	31,858.00
Cash and cash equivalents	3,417.21	12.57	3,429.78
Bank balances other than above	394.42	20.36	414.78
Loans	55.13		55.13
Other financial assets	499.02	19.69	518.71
Current tax assets (net)	87.18		87.18
Non current assets held for sale and disposal groups			
Other current assets	3,053.50	2,180.53	5,234.03
Total current assets	48,166.47	30,598.86	78,765.33
Total Assets	1,49,124.73	60,851.91	1,92,004.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5,071.91	1,384.66	5,988.52
Other equity	1,10,290.85	25,412.27	1,29,647.17
Total equity	1,15,362.76	26,796.93	1,35,635.69
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13,666.96	1,540.58	3,759.54
Lease Liability	85.35		85.35
Provisions	448.29	118.69	566.98
Deferred Tax Liability (Net)	322.62	980.67	1,303.29
Other liabilities			
Total non-current liabilities	14,523.22	2,639.94	5,715.16
Current liabilities			
Financial liabilities		17,425.08	17,425.08
Borrowings	986.20		986.20
Trade payables		891.67	891.67
- Outstanding Dues of Micro and Small Enterprises	149.89	12,534.47	12,684.36
- Outstanding Dues of Creditors other than Micro and Small	17,724.86	164.92	17,889.78
Short term provisions	112.97	398.90	511.87
Other current liabilities	264.83		264.83
Total current liabilities	19,238.75	31,415.04	50,653.79
Total Liabilities	33,761.97	34,054.98	56,368.95
Total Liabilities & Equity	1,49,124.73	60,851.91	1,92,004.64



TOTAL REVENUE

	OPL	DLL
Revenue for the year ending 31.03.2023 (Full Year)	66589.84	44733.94
Revenue for the year ending 30.09.2023 (Six Month)	38167.51	27794.74



Annexure B

Pre and Post Net Worth of the Companies involved in the Scheme as on 30th September, 2023

Net Worth of the Transferor Company (both pre and post implementation of the scheme) based on audited financials as on 30th September, 2023

Particulars	Pre-Scheme (INR Crores)	Post-Scheme (INR Crores)^
Issued, Subscribed and Paid Up Share Capital	13.85	-
Add: Free Reserves (excluding Revaluation Reserve)		
Security Premium	51.21	-
General reserve	3.68	-
Profit & loss A/c	197.29	-
Capital Redemption Reserve	1.95	-
Net Worth as at 30th September, 2023	267.97	NA

^Since Transferor Company shall cease to exist post-implementation of the Scheme, accordingly, Net-worth is inapplicable

Net Worth of the Transferee Company (both pre and post implementation of the scheme) based on limited reviewed financials as on 30th September, 2023

Particulars	Pre-Scheme (INR Crores)	Post-Scheme (INR Crores)
Issued, Subscribed and Paid Up Share Capital	50.72	59.89
Equity Component of OCD	68.56	-
Add: Free Reserves (excluding Revaluation Reserve)		
Security Premium	846.52	897.72
General reserve	558.52	562.20
Profit & loss A/c	-2053.02	-1855.73
Other Comprehensive income	0.02	0.02
Capital Redemption Reserve	-	1.95
Net Worth as at 30th September, 2023	-528.69	-333.95

Note :

1. The value of reserves in the net worth (Post Scheme) is determined in accordance with the treatment of reserves post-merger, as per the guidelines outlined in IND AS 103.
2. On November 28, 2023, DLL sold 13,00,000 equity shares of OPL on the BSE. This sale is part of the total 3,67,19,957 equity shares of OPL held by DLL as of September 30, 2023. Consequently, this transaction has been considered in the calculation of net worth post- implementation of scheme.



Brief history of Dhanuka Laboratories Limited (Transferor Company)

Dhanuka Laboratories Limited was incorporated as "Quantum Polymers Private Limited" on February 24, 1993 as a private Company under the Companies Act, 1956. Subsequently, the name of the Transferor Company was changed to 'Dhanuka Laboratories Private Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the ROC on January 05, 1995. Further the status of the Transferor Company was changed from private to public Company and name was also changed to 'Dhanuka Laboratories Limited' on March 23, 2004.

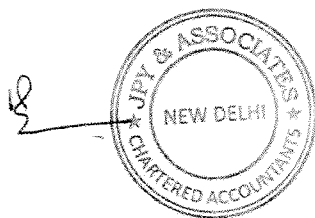
The CIN of the Transferor Company is U24100TN1993PLC149053 and Registered Office is situated at Linbuzz Business Centre, 2910B 14th Main Road Anna Nagar West, Chennai, Tamil Nadu, India, 600040.

The Transferor Company started its commercial production in 1998 by manufacturing Cephalixin (Bulk Drug) and its intermediate 7ADCA. However, in due course the Transferor Company developed new products like Cefixime, Cefuroxime Axetil, Cefaclor, Cefdinir etc. These are all third generation Cephalosporin antibiotics and Dhanuka has a strong presence in this sector.

The Transferor Company also started Non Cephalosporin APIs manufacturing facility in Keshwana, Rajasthan in 2017.

The Transferor Company has a strong Technological Background and maintains higher standard of quality. Various products manufactured by the Transferor Company are sold to pharmaceutical formulators, who convert these products into various dosage forms, viz, Capsules, Tablets and Dry Syrups. Most of the products manufactured by the Transferor Company are antibacterial drugs, these products have a majority share in the pharmaceutical industry and are always in high demand and are used to cure infections. All the products are very well accepted in the market and are being sold to the leading formulation Companies who are brand leaders in their respective field. Some of our esteem customers are Cipla Limited, FDC Limited, Micro Labs Limited, Aristo Pharmaceuticals, Khandelwal Laboratories Limited, Maxim Pharmaceuticals Limited, Mankind Pharma Limited and many more.

The Transferor Company has emerged as a Quality Manufacturer of Bulk Drugs and Drug Intermediates. In addition to the Indian Market the Transferor Company has a strong foothold in the International Market like Turkey, Pakistan, Bangladesh, Jordan, UAE and Phillipenes.



Singhi & Co.

Chartered Accountants

Unit 11-D, 11th Floor, Ega Trade Centre, 809, Poonamallee High Road, Kilpauk, Chennai-600 010 India
Ph: +91 44 42918459, E-mail : chennai@singhico.com Website : www.singhico.com

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: 23204936BGYJAE8583

Place: Mumbai

Date: December 4, 2023

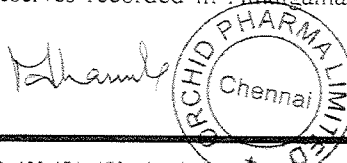
(Annexure- A)

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



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).

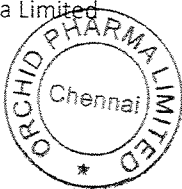
17.1.6 In case of any differences in the accounting policies between Amalgamating Company and Amalgamated Company, the impact of the same will be quantified and adjusted in the capital reserves of Amalgamated Company to ensure that the financial statements of Amalgamated Company reflect the true financial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



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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ASHOK KUMAR MALHOTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Ashok Kumar Malhotra

Proprietor

Membership No. 082258

UDIN: 23082258BGQUCS1807

Place: Noida

Date: December 4, 2023

Digitally signed by

Ashok Kumar

Malhotra

Date: 2023.12.04

18:10:57 +05'30'



DHANUKA *Laboratories Ltd.*



CIN No.: U24100TN1993PLC149053

Unit-I: 7th Km.Old Manesar Road, Village Mohammedpur, Gurgaon - 122004 Haryana, (INDIA)

Phone : +91 124 4848900 Fax: +91 124 4848999 Email: dll@dhanuka.com Website: www.dhanukalab.com

Unit-II: Plot No. SP4-4, Industrial Area, Keshwana Rajput, Kotputli, Shahpura, Distt. Jaipur-303108 (Rajasthan) INDIA

Annexure

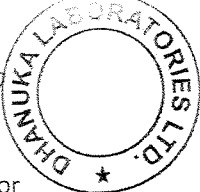
17. ACCOUNTING TREATMENT

17.2 IN THE BOOKS OF AMALGAMATING COMPANY

17.2.1 As Amalgamating Company shall stand dissolved without being wound up upon the Scheme becoming effective as mentioned in Clause 22 of the Scheme and all the assets and liabilities shall be transferred to Amalgamated Company, hence there is no accounting treatment prescribed under this Scheme in the books of Amalgamating Company.

For Dhanuka Laboratories Ltd

Manish Dhanuka
Managing Director



Reasons including rationales and synergies behind the scheme being beneficial to public shareholders of the listed entity:

Rationales as stated in draft scheme are as follows:

- (a) The proposed amalgamation is in accordance with resolution plan dated May 16, 2019 which, inter alia, provides as under –
 "The Resolution Applicant plans to merge into the Corporate Debtor after the acquisition, which will result in creation of much larger company which will have a potential to reach a sales turnover of up to Rs. 1400-1500 crores with EBITDA of Rs. 200 to Rs. 250 crores, thereby creating a high value company in the future."
- (b) Amalgamating Company and Amalgamated Company are engaged in similar business. The amalgamation will ensure focused management in the combined entity thereby resulting in efficiency of management and maximizing value for the shareholders;
- (c) The proposed amalgamation in accordance with the terms of this Scheme would enable both the companies to realize benefits of greater synergies between their businesses, achieve wider product offerings and geographical footprints, consolidating operations thereby leveraging the capability of Amalgamated Company, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources (including stronger market presence) of each other in the interest of maximizing value to their shareholders and the stakeholders;
- (d) This enhanced value maximization shall result in a stronger balance sheet which will attract investors;
- (e) Elimination of conflict of interest between both Amalgamating Company and Amalgamated Company as both are undertaking similar business;
- (f) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- (g) The amalgamation would result in improved competitive position of the Amalgamated Company as a combined entity and achieving economies of scale.

Synergies, in addition to the rationales, as stated in Audit and Independent Directors Committees report are as follows:

- (a) The Companies are engaged in the similar business of manufacturing and distributing pharmaceutical products. The amalgamation will ensure creation of a combined entity under the Amalgamated Company, as the holding entity of the cluster, thereby resulting in on-time supplies, efficiency of management and maximizing value for the



shareholders. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business;

- (b) The Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Companies pooled in the Amalgamated Company, will lead to optimum use of infrastructure, cost reduction and efficiencies, productivity gains and logistic advantages and reduction of administrative and operational costs, thereby significantly contributing to the future growth and maximising shareholder value;
- (c) The proposed amalgamation under the Scheme would be in the best interest of the companies and their respective shareholders, employees, creditors, customers and other stakeholders as the proposed amalgamation will yield additional advantages as set out, inter alia, below:
 - i. integrated value chain to enhance degree of vertical integration in the pharmaceutical products segment;
 - ii. greater efficiency in cash and debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholders value and better debt management;
 - iii. pooling of resources, creating better synergies, optimal utilisation of resources, centralization of inventory and greater economies of scale, such as:
 - a. Elimination of conflict of interest;
 - b. Combining of product range;
 - c. Combined sourcing of raw materials and other procurements with centralized inventory management will lead to better economies of scale, increased synergies and operational efficiencies;
 - d. sharing of best practices and cross-functional learnings;
 - e. leverage of resources for aggressive growth in its product segment;
 - f. augmenting the infrastructural capability of the Amalgamated Company to effectively meet future challenges;
 - g. Utilize pan India and overseas distribution and marketing network of the combined entity to sell its value-added products;
 - h. Clubbing of shipments and combining of stockyards will facilitate optimization of logistics movements and freight costs.
 - iv. The customers' need would be addressed
 - a. By providing them uniform products and service experience;
 - b. owing to dedicated stock yards and supply chain efficiencies across multiple locations, in India;



- v. simplification of management structure, elimination of duplication and multiplicity of compliance requirements, rationalization of administrative expenses; better administration and cost reduction (including reduction in administrative and other common costs);
- vi. further expanding the business of Amalgamated Company into growing markets;
- vii. adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement;
- viii. create value for the stakeholders including the respective shareholders, customers, lenders and employees;
- ix. The amalgamation will pave way for creation of a stronger platform for growth, ability to provide more innovative products, increased cross sell opportunities and greater financial flexibility for sustained growth;
- x. With a stronger asset base, the amalgamation could provide potential re-rating of the credit worthiness of the Company that would benefit all the shareholders.

**For and on behalf of
Orchid Pharma Limited**


Kapil Dayya
Company Secretary & Compliance Officer



SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No.6A,

V. P. Road, Andheri (W),

Mumbai – 400 058. INDIA.

Tel. : 91 (22) 2670 4376 / 77

91 (22) 2670 3682

Website : www.sspa.in

January 08, 2024

To,

Orchid Pharma Limited,

Plot Nos. 121 – 128, 128A – 133,

138 – 151, 159 – 164,

SIDCO Industrial Estate, Alathur,

Chengalpattu District – 603 110,

Tamil Nadu.

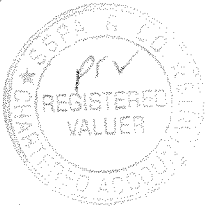
Ref: Our Valuation Report dated December 06, 2023 on recommendation of fair equity exchange ratio for the proposed amalgamation of Dhanuka Laboratories Limited with Orchid Pharma Limited.

Dear Sir/ Madam,

We have been informed by the management of Orchid Pharma Limited (the 'Management') that in connection with the application made to the National Stock Exchange ('NSE') with regards to the proposed Scheme of Amalgamation & Arrangement between Orchid Pharma Limited ('OPL' or 'Amalgamated Company') and Dhanuka Laboratories Limited ('DLL' or 'Amalgamating Company') and their respective shareholders and creditors ('Scheme'), the Management has received a requirement letter dated December 28, 2023 from NSE. We have been requested by the Management to provide our responses to certain valuation related queries on which we hereby provide our responses as below:

1. *"In the Valuation Report, kindly submit the calculation for the approaches considered along with the names of the Comparable Companies considered. Further, it is understood that the Amalgamating Company has entered into a business acquisition agreement. Kindly clarify if it has been considered while deriving the valuation for the Company".*

Reply – The valuation workings are attached herewith as "Annexure A". Kindly find below the list of comparable companies considered:



• In relation to Orchid Pharma Limited

Sr. No.	Name of Comparable Companies
1	Aarti Drugs Limited
2	Ajanta Pharma Limited
3	Alkem Laboratories Limited
4	Bajaj Healthcare Limited
5	Divi's Laboratories Limited
6	FDC Limited
7	Granules India Limited
8	IOL Chemicals & Pharmaceuticals Limited
9	Kopran Limited
10	Laurus Labs Limited
11	Morepen Laboratories Limited
12	Natco Pharma Limited
13	Neuland Laboratories Limited
14	Shilpa Medicare Limited
15	SMS Pharmaceuticals Limited
16	Solara Active Pharma Sciences Limited
17	Supriya Lifescience Limited

• In relation to Dhanuka Laboratories Limited

Sr. No.	Name of Comparable Companies
1	Aarti Drugs Limited
2	Bajaj Healthcare Limited
3	FDC Limited
4	Granules India Limited
5	IOL Chemicals & Pharmaceuticals Limited
6	Kopran Limited
7	Neuland Laboratories Limited
8	Shilpa Medicare Limited
9	SMS Pharmaceuticals Limited
10	Solara Active Pharma Sciences Limited
11	Supriya Lifescience Limited

Further, while arriving at the value of Amalgamating Company, we have considered the value of the business acquired.

2. "Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report."

Reply - The Revenue from Operations, Adjusted PAT and Adjusted EBIDTA (in value and percentage terms) from FY 2023-24 to FY 2027-28 considered for valuation is given in the table below:



Orchid Pharma Limited

(INR crores)					
Particulars	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue from operations	817.65	1,014.93	1,563.12	1,959.71	2,071.80
Y-o-Y Growth (%)		24%	54%	25%	6%
Adjusted EBITDA	121.68	212.73	311.09	488.74	533.83
Adjusted EBITDA Margins (%)	15%	21%	20%	25%	26%
Adjusted PAT	82.80	170.92	225.97	445.64	409.15
PAT Margins (%)	10%	17%	14%	23%	20%

The increase in EBITDA/PAT margins over the projected period is on account of expected revenue growth, expansion plan, introduction of new products, royalty income and economies of scale.

Dhanuka Laboratories Limited

(INR crores)					
Particulars	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue from operations	490.71	534.87	577.66	618.10	655.19
Y-o-Y Growth (%)		9%	8%	7%	6%
Adjusted EBITDA	33.25	40.95	45.67	49.62	52.60
Adjusted EBITDA Margins (%)	7%	8%	8%	8%	8%
Adjusted PAT	8.61	18.93	25.10	43.90	49.01
PAT Margins (%)	2%	4%	4%	7%	7%

The increase in EBITDA/PAT margins over the projected period is on account of expected revenue growth, higher capacity utilisation and economies of scale.

This letter should be read in conjunction with our report and the limitation mentioned therein. Any terms not defined in this letter shall derive their meaning from our report.

Thanking you
Yours faithfully

For SSPA & CO.

Chartered Accountants

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Parag S. Ved



Parag Ved

Partner

ICAI Membership No. 102432

Registered Valuer No.: IBBI/RV/06/2018/10092

Place: Mumbai

Annexure A

PROPOSED AMALGAMATION OF ORCHID PHARMA LIMITED ('OPL') WITH DHANUKA LABORATORIES LIMITED ('DLL') COMPUTATION OF FAIR EQUITY SHARE EXCHANGE RATIO				
Valuation Approach	OPL		DLL	
	Value per share (INR)	Weights	Value per share (INR)	Weights
Asset Approach *	NA	NA	NA	NA
Income Approach	611.89	50%	19,211.24	50%
Market Approach				
- Market Price Method ^a	566.54	25%	NA	NA
- CCM Method	607.35	25%	19,435.75	50%
Relative value per share	599.42		19,323.50	
Fair Equity Share Exchange Ratio (rounded off)	161 : 5			
	Annexure 1		Annexure 2	

NA = Not Applied / Not Applicable

* Since, the business of OPL and DLL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the 'Asset' approach is not adopted for the present valuation exercise.

^a Since, the equity shares of DLL are not listed on any recognised stock exchange, Therefore, Market Price Method cannot be considered for valuation of equity shares of DLL.

Fair Equity Share Exchange Ratio:

161 (One Hundred Sixty one) equity shares of OPL of INR 10 each fully paid up for every 5 (Five) equity shares of DLL of INR 100 each fully paid up.



ORCHID PHARMA LIMITED

INCOME APPROACH DISCOUNTED CASH FLOW ('DCF') METHOD	
	(INR crores)
Particulars	Amount
Enterprise value	2,651.66
Add/(Less) Adjustments:	
Loan funds	(323.48)
PV of Allekra royalty income post explicit period	160.28
Value of investments	318.70
Cash and cash equivalents	295.74
Advances to subsidiaries	0.55
Equity value	3,103.45
Number of equity shares	5,07,19,105
Value per share (face value INR 10 each) (INR)	611.89

MARKET APPROACH MARKET PRICE ('MP') METHOD			
Particulars	Number of shares traded	Total Turnover (INR)	Value per share (INR)
Volume weighted average price on NSE for 1 month period ended December 05, 2023	23,41,477	1,32,65,47,385	566.54
COMPARABLE COMPANIES MULTIPLE ('CCM') METHOD			
	(INR crores)		
Particulars	Amount		
Enterprise value	2,483.10		
Add/(Less) Adjustments:			
Loan funds	(323.48)		
Lease Liabilities	(0.85)		
Present value of Allekra royalty income from 2023-24 to 2032-33	306.67		
Value of investments	318.70		
Cash and cash equivalents	295.74		
Advances to subsidiaries	0.55		
Equity value	3,080.44		
Number of equity shares	5,07,19,105		
Value per share (face value INR 10 each) (INR)	607.35		



Annexure 2

DHANUKA LABORATORIES LIMITED

INCOME APPROACH DISCOUNTED CASH FLOW ('DCF') METHOD	
	(INR crores)
Particulars	Amount
Enterprise value	333.02
Add/(Less) Adjustments:	
Loan funds	(192.69)
Net value of the Synmedic Business acquired	24.98
Value of investments	2,414.58
Inter corporate loan	15.00
Cash inflow on account of sale of equity shares of OPL held by DLL (net of tax)	64.69
Cash and cash equivalents	0.53
Equity value	2,660.10
Number of equity shares	13,84,660
Value per share (face value INR 100 each) (INR)	19,211.24

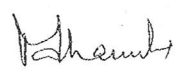
MARKET APPROACH COMPARABLE COMPANIES MULTIPLE ('CCM') METHOD	
	(INR crores)
Particulars	Amount
Enterprise value	364.10
Add/(Less) Adjustments:	
Loan funds	(192.69)
Net value of the Synmedic Business acquired	24.98
Value of investments	2,414.58
Inter corporate loan	15.00
Cash inflow on account of sale of equity shares of OPL held by DLL (net of tax)	64.69
Cash and cash equivalents	0.53
Equity value	2,691.19
Number of equity shares	13,84,660
Value per share (face value INR 100 each) (INR)	19,435.75



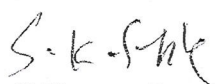
It is hereby certified that the draft Scheme of Amalgamation and Arrangement involving **Dhanuka Laboratories Limited and Orchid Pharma Limited** does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, including the following:


Sl.	Reference	Particulars
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements
2	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of SEBI Master Circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting


Kapil Dayya
 Company Secretary


Manish Dhanuka
 Managing Director

Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation and Arrangement involving **Dhanuka Laboratories Limited and Orchid Pharma Limited** are in compliance with all the Accounting Standards applicable to a listed entity.


Sunil Kumar Gupta
 Chief Financial Officer


Manish Dhanuka
 Managing Director

Date: 19 - 12-2023



To,
The Manager,
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Dear Sir/Madam,

Sub: Confirmation stating that the arrangement proposed in the Scheme is yet to be executed.

In connection with the subjected matter, we hereby confirm that the arrangement proposed in the Draft Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited (Amalgamating Company) with Orchid Pharma Limited (Amalgamated Company) and their respective shareholders and creditors ("Scheme") has not yet been executed and shall be executed as per the terms, conditions and subject to the requisite approvals mentioned in the Scheme.

For Orchid Pharma Limited


Kapil Dayya
Company Secretary & Compliance Officer



Date: January 08, 2024