

Orchid Pharma Limited

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 CIN : L24222TN1992PLC022994

Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021

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

| S. No. | Particulars | Standalone financial results | | | | | Consolidated financial results | | | | |
|--------|---|------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| | | For the quarter ended | | | For the year ended | | For the quarter ended | | | For the year ended | |
| | | Mar 31, 2021 (Audited) | Dec 31, 2020 (Unaudited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Dec 31, 2020 (Unaudited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Mar 31, 2020 (Audited) |
| | Income from Continuing Operations | | | | | | | | | | |
| 1 | Net Sales / Income from operations | 12,049.42 | 10,263.02 | 11,010.99 | 45,059.50 | 48,120.90 | 11,955.97 | 10,278.40 | 8,728.37 | 45,006.04 | 48,361.15 |
| 2 | Other Income (Net) | 253.63 | 173.65 | 569.78 | 647.52 | 2,427.72 | 1,128.68 | 173.65 | 548.68 | 1,522.57 | 2,427.72 |
| 3 | Total Income (1+2) | 12,303.05 | 10,436.67 | 11,580.77 | 45,717.02 | 50,548.62 | 13,084.65 | 10,452.05 | 9,277.05 | 46,528.61 | 50,807.87 |
| 4 | Expenses | | | | | | | | | | |
| | Cost of materials consumed | 5,580.70 | 6,376.34 | 5,797.03 | 24,496.08 | 21,991.46 | 5,608.57 | 6,342.43 | 4,360.63 | 24,559.65 | 22,121.19 |
| | Purchase of stock-in-trade - Traded goods | - | - | 9.16 | - | 46.97 | - | - | 39.44 | - | 45.96 |
| | Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods | 2,319.39 | (366.59) | 556.95 | (1,568.79) | (2,007.26) | 2,220.76 | (380.04) | (1,870.92) | (1,709.36) | (1,832.56) |
| | Employee benefit expenses | 937.40 | 1,862.88 | 1,850.55 | 6,439.83 | 7,159.97 | 981.35 | 1,926.60 | 955.72 | 6,710.79 | 7,485.49 |
| | Finance costs | 1,188.55 | 1,253.34 | 78.10 | 5,133.56 | 415.85 | 1,188.55 | 1,253.34 | 78.10 | 5,133.56 | 415.85 |
| | Depreciation and amortization expense | 2,032.17 | 2,899.28 | 3,119.33 | 10,889.86 | 11,790.74 | 2,032.74 | 2,899.28 | 2,320.59 | 10,891.64 | 11,792.78 |
| | Other expenses | 840.12 | 2,944.58 | 5,600.47 | 9,913.65 | 19,996.64 | 1,397.20 | 2,882.90 | 1,121.59 | 10,467.24 | 17,745.34 |
| | Total Expenses | 12,898.33 | 14,969.83 | 17,011.59 | 55,304.24 | 59,394.37 | 13,429.17 | 14,924.51 | 7,025.15 | 56,053.50 | 57,777.05 |
| 5 | Loss before exceptional items and tax (3-4) | (595.28) | (4,533.16) | (5,430.82) | (9,587.22) | (8,845.75) | (344.52) | (4,472.46) | 2,251.90 | (9,524.89) | (6,969.18) |
| 6 | Exceptional items (refer note 4) | - | - | - | - | - | - | - | - | - | - |
| 7 | Loss before tax from continuing operations (5+6) | (595.28) | (4,533.16) | (5,430.82) | (9,587.22) | (8,845.75) | (344.52) | (4,472.46) | 2,251.90 | (9,524.89) | (6,969.18) |
| 8 | Tax expense | | | | | | | | | | |
| | Current tax | - | - | - | - | - | - | - | - | - | - |
| | Deferred tax | - | - | - | - | - | - | - | - | - | - |
| | Total Tax Expenses | - | - | - | - | - | - | - | - | - | - |
| 9 | Loss for the period from continuing operations (7-8) | (595.28) | (4,533.16) | (5,430.82) | (9,587.22) | (8,845.75) | (344.52) | (4,472.46) | 2,251.90 | (9,524.89) | (6,969.18) |



S.K. S. Pillai

T. Hanu



Orchid Pharma Limited

Statement of Auditor's Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021 (Contd.)

| S. No. | Particulars | Standalone financial results | | | | | Consolidated financial results | | | | |
|--------|--|------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| | | For the quarter ended | | | For the year ended | | For the quarter ended | | | For the year ended | |
| | | Mar 31, 2021 (Audited) | Dec 31, 2020 (Unaudited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Dec 31, 2020 (Unaudited) | Mar 31, 2020 (Audited) | Mar 31, 2021 (Audited) | Mar 31, 2020 (Audited) |
| 9 | Loss for the period from continuing operations (7-8) | (595.28) | (4,533.16) | (5,430.82) | (9,587.22) | (8,845.75) | (344.52) | (4,472.46) | 2,251.90 | (9,524.89) | (6,969.18) |
| 10 | Loss from discontinued operations (refer note 6) | (2,128.11) | - | - | (2,128.11) | (6,137.83) | (2,128.11) | - | (6,137.83) | (2,128.11) | (6,137.83) |
| 11 | Tax expense of discontinued operations | - | - | - | - | - | - | - | - | - | - |
| 12 | Loss from discontinued operations (after tax) (10-11) | (2,128.11) | - | - | (2,128.11) | (6,137.83) | (2,128.11) | - | (6,137.83) | (2,128.11) | (6,137.83) |
| 13 | Loss for the period (9+12) | (2,723.39) | (4,533.16) | (5,430.82) | (11,715.33) | (14,983.58) | (2,472.63) | (4,472.46) | (3,885.93) | (11,653.00) | (13,107.01) |
| 14 | Other comprehensive income, net of income tax | | | | | | | | | | |
| | a) (I) items that will not be reclassified to profit or loss | 210.79 | (47.61) | (263.77) | 66.47 | (202.23) | 210.79 | (47.61) | (263.77) | 66.47 | (202.23) |
| | (a) income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - | - | - | - | - |
| | b) (I) items that will be reclassified to profit or loss | - | - | - | - | - | - | - | - | - | - |
| | (a) income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - | - | - | - | - |
| | Total other comprehensive income/ (loss), net of income tax | 210.79 | (47.61) | (263.77) | 66.47 | (202.23) | 210.79 | (47.61) | (263.77) | 66.47 | (202.23) |
| 15 | Total comprehensive Loss for the period (13+14) | (2,512.60) | (4,580.77) | (5,694.59) | (11,648.86) | (15,185.81) | (2,261.84) | (4,520.07) | (4,149.70) | (11,586.53) | (13,309.24) |
| 16 | Paid-up equity share capital | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 |
| | Face value per share (Rs) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 17 | Earning per share (Rs) (not annualised) | | | | | | | | | | |
| | - Basic | (5.67) | (11.11) | (13.31) | (28.70) | (16.87) | (6.06) | (10.96) | (9.52) | (28.55) | (14.75) |
| | - Diluted | (5.67) | (11.11) | (13.31) | (28.70) | (16.87) | (6.06) | (10.96) | (9.52) | (28.55) | (14.75) |



S.K. S. H

Shambhu



Orchid Pharma Limited

Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021 (Contd.)

Notes:

- 1 The above results for the quarter and year ended March 31, 2021 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on May 22, 2021. The statutory auditors of the company have expressed a modified audit opinion.
- 2 The Company has accounted the business combination during March 31, 2020 with provisional numbers due to Covid-19 related restrictions in getting complete valuation for various assets and liabilities, including impairment on the carrying value of property, plant and equipment, capital work in progress, intangibles and intangibles under development. During the year, the Company has obtained a detailed valuation report on lifting of the general lockdown through external experts and the consequential adjustments were made and previous year figures have been restated from the date of acquisition as provided in Ind AS 103 for provisional accounting for business combinations.
- 3 During the quarter and year ended March 31, 2021, the Company has incurred a net loss of Rs. 11715.33 lakhs on a standalone basis and as of March 31, 2021 the Company's accumulated losses amounted to Rs. 213329.45 lakhs. In view of the implementation of the approved resolution plan, the above financial results have been continued to be prepared on a going concern basis.
- 4 The COVID-19 pandemic is rapidly spreading throughout the world. Orchid's plants and offices were under nationwide lockdown since March 24, 2020 till May 08, 2020 and again during June 2020. However, the production was not suspended during the lock down as the Company falls under the essential goods industry category. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders on hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 5 The statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies generally accepted in India, to the extent applicable.
- 6 During the quarter ended March 31, 2021, the Company has decided to sell off the undertaking at Irungattukottai, the land at Vishakhapatnam and the land and buildings at Orchid Towers. Accordingly, the related assets/ liabilities have been classified as Non current assets held for sale and Disposable Groups as per Ind AS 105. The Company also re-presented the disclosures of the operations of the Company for the quarter and year ended March 31, 2021 and quarter and year ended March 31, 2020 presented in the audited results so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented read with note 8 below.
- 7 The operations of the Company falls under a single operating segment i.e., "Pharmaceuticals" in accordance with Ind AS 109 "Operating Segments" and hence no reporting as per Ind AS 108 is applicable.
- 8 The figures for the quarter ended March 31, 2021 represents the balancing figure between the audited results for the year ended March 31, 2021 and the unaudited figures for the nine months ended on December 31, 2020.



S.K. Gupta

V. Shankar



Ochid Pharma Limited

Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021 (Contd...)

| Particulars | Standalone | | Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | As at | As at | As at | As at |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| (Rs in lakhs) | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 67,001.85 | 84,352.63 | 67,007.68 | 84,370.24 |
| Intangible assets | 36.86 | 1,423.24 | 36.86 | 1,423.25 |
| Capital work in progress | 743.66 | 1,507.18 | 743.06 | 1,507.18 |
| Intangible assets under development | - | 1,054.07 | - | 1,054.07 |
| Financial Assets | | | | |
| Investments | 40.44 | 33.82 | 40.44 | 33.82 |
| Other financial assets | 399.72 | 140.76 | 399.72 | 140.76 |
| Other non-current assets | - | - | 511.74 | 528.77 |
| | 68,221.93 | 88,521.70 | 68,739.50 | 89,059.06 |
| Current assets | | | | |
| Inventories | 15,056.57 | 14,078.10 | 15,268.53 | 14,169.47 |
| Financial Assets | | | | |
| Investments | 1,502.08 | - | 1,502.08 | - |
| Trade receivables | 13,195.12 | 6,638.11 | 13,569.81 | 6,796.94 |
| Cash and cash equivalents | 1,475.04 | 8,817.10 | 1,569.39 | 8,989.15 |
| Bank balances other than above | 421.78 | 8,414.88 | 421.78 | 8,414.88 |
| Other financial assets | 7.07 | 11.75 | 7.07 | 11.75 |
| Current tax assets (net) | 5,445.99 | 5,938.27 | 5,445.99 | 5,938.27 |
| Non current assets held for sale and disposal groups (refer note 6 above) | 12,055.19 | - | 12,085.19 | - |
| Other current assets | 5,035.09 | 12,579.24 | 5,095.87 | 12,511.99 |
| | 54,224.93 | 56,477.45 | 54,985.71 | 56,932.44 |
| Total - Assets | 1,22,446.86 | 1,44,999.15 | 1,23,725.21 | 1,45,990.53 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Equity share capital | 4,081.64 | 4,081.64 | 4,081.64 | 4,081.64 |
| Other Equity | 64,052.04 | 75,700.90 | 61,209.14 | 72,516.84 |
| | 68,133.68 | 79,782.54 | 65,290.78 | 76,598.48 |
| Non current liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 42,749.74 | 50,397.07 | 42,749.74 | 50,397.07 |
| Provisions | 1,153.89 | 1,178.54 | 1,153.89 | 1,178.54 |
| Deferred tax liabilities (Net) | 322.62 | 322.62 | 322.62 | 322.62 |
| | 44,226.25 | 51,898.23 | 44,226.25 | 51,898.23 |
| Current liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 284.26 | - | 284.26 | - |
| Trade payables | 6,873.99 | 6,021.19 | 10,955.24 | 10,158.86 |
| Provisions | 352.44 | 324.91 | 352.44 | 324.91 |
| Other current liabilities | 2,576.24 | 6,972.28 | 2,576.24 | 7,010.05 |
| | 10,086.93 | 13,318.38 | 14,208.18 | 17,493.82 |
| Total - Equity and Liabilities | 1,22,446.86 | 1,44,999.15 | 1,23,725.21 | 1,45,990.53 |



S.K. Gupta

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Orchid Pharma Limited

Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021 (Contd...)

| Particulars | (Rs. Lakhs) | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Standalone | | Consolidated | |
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| 10 Statement of cash flows | | | | |
| Cash Flow From Operating Activities | | | | |
| Profit/loss before income tax | (11,715.33) | (14,983.57) | (11,653.00) | (13,107.01) |
| Adjustments for | | | | |
| Depreciation and amortisation expense on continuing operations | 10,889.85 | 11,790.74 | 10,891.64 | 11,792.78 |
| Depreciation and amortisation expense on discontinuing operations | 756.54 | 799.33 | 756.54 | 799.33 |
| (Profit)/loss on sale of fixed assets | 6.50 | (8.82) | 6.50 | (8.82) |
| Interest income | (73.26) | (2,417.51) | (73.26) | (2,417.51) |
| Corex (Gain)/ Loss Unrealised | (262.5-) | 3,782.17 | 561.67 | 3,108.55 |
| Allowance for expected credit loss | 132.80 | 3,096.54 | 132.80 | 265.49 |
| Finance costs | 5,133.56 | 415.85 | 5,133.56 | 415.85 |
| Fair valuation (Gain)/ Loss on investments | (90.10) | - | (90.10) | - |
| (Profit) / loss on sale of investments | (104.08) | - | (104.06) | - |
| | 4,653.65 | 2,474.73 | 5,562.27 | 849.56 |
| Change in operating assets and liabilities | | | | |
| (Increase)/ decrease in Other financial assets | (326.82) | 829.13 | (326.82) | 829.15 |
| (Increase)/ decrease in inventories | (3,209.26) | 1,231.55 | (3,349.85) | 1,406.28 |
| (Increase)/ decrease in trade receivables | (7,475.32) | 3,813.57 | (8,202.48) | 4,401.10 |
| (Increase)/ decrease in Other assets | 6,744.41 | (697.03) | 6,733.40 | (688.52) |
| Increase/(decrease) in provisions and other liabilities | (305.49) | (512.87) | (343.25) | (528.69) |
| Increase/(decrease) in trade payables | 1,862.85 | (139.21) | 1,793.05 | 769.19 |
| Cash generated from operations | 1,944.02 | 6,999.90 | 1,866.32 | 7,038.17 |
| Less: Income taxes paid (net of refunds) | 492.28 | 1,042.13 | 492.28 | 1,042.13 |
| Net cash from operating activities (A) | 2,436.30 | 8,042.03 | 2,358.60 | 8,080.30 |
| Cash Flows From Investing Activities | | | | |
| Purchase of PPE (including changes in CWIP) | (60.40) | (423.47) | (60.40) | (424.24) |
| Sale proceeds of PPE | 28.64 | - | 28.64 | - |
| (Purchase)/ disposal proceeds of investments | (1,307.90) | - | (1,307.90) | - |
| (Investments in)/ Maturity of fixed deposits with banks | 7,993.10 | 14,717.94 | 7,993.10 | 14,717.94 |
| Interest received | 67.07 | 2,417.51 | 67.07 | 2,417.51 |
| Net cash used in investing activities (B) | 6,720.51 | 16,711.98 | 6,720.51 | 16,711.21 |



S.K.F-PK

H. Hanu



Orchid Pharma Limited

Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2021 (Contd...)

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Cash Flows From Financing Activities | | | | |
| Proceeds from issue of equity share capital | - | 4,000.00 | - | 4,000.00 |
| Proceeds from Borrowings | - | 75,409.40 | - | 75,409.40 |
| Repayment of Borrowings on implementation of Resolution Plan | (12,508.00) | (1,04,410.32) | (12,508.00) | (1,04,410.32) |
| Finance costs | (3,990.87) | (32.53) | (3,990.87) | (32.53) |
| Net cash from/ (used in) financing activities (C) | (16,498.87) | (25,033.45) | (16,498.87) | (25,033.45) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | (7,342.06) | (279.44) | (7,419.76) | (241.94) |
| Cash and cash equivalents at the beginning of the financial year | 8,817.10 | 9,096.54 | 8,969.15 | 9,231.09 |
| Cash and cash equivalents at end of the year | 1,475.04 | 8,817.10 | 1,569.39 | 8,989.15 |

For and on behalf of the Board

Manish Dhanuka

Manish Dhanuka
Managing Director

S. K. Gupta

Sunil Gupta
Chief Financial Officer

Place: Gurgaon
Date: May 22, 2021

Initialled for identification purposes





CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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Independent Auditors' Report
on quarter and year to date Standalone financial results for the quarter and year ended March 31, 2021 of
M/s Orchid Pharma Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015 as amended

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

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Orchid Pharma Limited (the "Company") for the quarter and the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 Statement:

- (a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2021.



Basis for Qualified Opinion

Due to the extension of complete/ partial lockdown across India to contain the spread of the Covid-19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also.

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act 2013 ("the Act"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

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

- (a) 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 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.1,025.67 Lakhs for the year ended March 31, 2021 in respect of the aforesaid lease. The same has been treated as contingent liabilities in the standalone financial statements of the Company.

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

- (b) Note 4 of the Statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Other Matters

Further to the continuous spreading of COVID -19 across India, the Central and State Governments announced partial/ complete lock down during April and May 2021 to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the major portion of the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided



for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

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

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

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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.

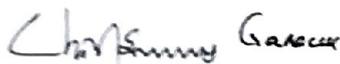
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results 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 results.

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.

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



(CHINNSAMY GANESAN)
Partner
Membership No. 027501
UDIN: 21027501AAAACO5041



Place: Chennai
Date: May 22, 2021



CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

on quarter and year to date consolidated financial results for the quarter and year ended March 31, 2021
of M/s Orchid Pharma Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015 as amended

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

Report on the audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of M/s. Orchid Pharma Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2021 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 statement:

- (a) include the financial results for the quarter and year ended March 31, 2021, of the following subsidiary companies:
 - (i) Orchid Europe Limited, UK
 - (ii) Orchid Pharmaceuticals Inc., USA
 - (iii) Bexel Pharmaceuticals Inc., USA
 - (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
 - (v) Diakron Pharmaceuticals, Inc. USA
- (b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- (c) gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive loss (comprising of net loss and other comprehensive loss) and other financial information of the Group for the quarter and year ended March 31, 2021.



Basis for Qualified Opinion

We draw attention to the following matters:

- (a) Due to the extension of complete/ partial lockdown across India to contain the spread of the Covid'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also; and
- (b) The consolidated financial results for the quarter and year ended March 31, 2021 include the financial results for the quarter and year ended March 31, 2021 of the following subsidiary companies:
 - (i) Orchid Europe Limited, UK
 - (ii) Orchid Pharmaceuticals Inc., USA
 - (iii) Bexel Pharmaceuticals Inc., USA
 - (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
 - (v) Diakron Pharmaceuticals, Inc. USA

We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs. 2,211.11 lakhs and net assets of (-) Rs.6,402.23 lakhs as at March 31, 2021, total revenue of Rs. 848.69 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of (-) Rs.580.31 lakhs and net cash flows amounting to Rs.77.70 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The financial statements of the subsidiaries are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and the balance in foreign currency translation reserve as at March 31, 2021 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.

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

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Companies Act 2013 ("the Act"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group, its subsidiaries 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

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

- (a) 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 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.1,025.67 Lakhs for the year ended March 31, 2021 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.

- (b) Note 4 of the Statement which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Other Matters

Further to the continuous spreading of COVID -19 across India, the Central and State Governments announced partial/ complete lock down during April and May 2021 to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

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

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

Our audit opinion is not modified in respect of the above matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the Consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its subsidiaries in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its subsidiaries 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 and its subsidiaries 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 Statement 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 and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Statement of the entities within the Group and its subsidiaries to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statements, which have been unaudited, the Holding Company's Board of Directors 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 standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results 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 results.

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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/ S200036



(CHINNSAMY GANESAN)

Partner

Membership No. 027501

UDIN: 21027501AAAACO5041



Place: Chennai

Date: May 22, 2021

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

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended
March 31, 2021 – Standalone Basis**

[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I | Sl.No | Particulars | Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs) | Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs) |
|----|--|--|--|---|
| | 1 | Turnover /Total Income (including other income) | 45717.02 | 45717.02 |
| | 2 | Total Expenditure (Including finance cost and exceptional items) | 57365.88 | 57365.88 |
| | 3 | Net Profit / (Loss) | (11648.86) | (11648.86) |
| | 4 | Earnings per Share (In Rs.) | (28.70) | (28.70) |
| | 5 | Total Assets | 122446.86 | 122446.86 |
| | 6 | Total Liabilities | 54313.18 | 54313.18 |
| | 7 | Net worth | 68133.68 | 68133.68 |
| | 8 | Any Other Financial item(s) (as felt appropriate by the management) | - | - |
| II | Audit Qualification (Each audit qualification separately) | | | |
| 1 | (a) | Details of Audit Qualification: | Due to the extension of complete/ partial lockdown across India to contain the spread of the Covid'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also. | |
| | (b) | Type of Audit Qualification : | Qualified opinion | |
| | (c) | Frequency of Qualification : | Repetitive | |
| | (d) | For Audit Qualification(s) where the impact is quantified by the auditor, Management Views: | N.A. | |
| | (e) | For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | (i) | Management's estimation on the impact of audit qualification: | N.A. | |
| | (ii) | If management is unable to estimate the impact, reason for the same | The management confirms that due to lock down restrictions in most part of the year the physical verification could not be conducted. Once the lock down is lifted and normalcy resumed this will be undertaken in a phased manner | |

| | | |
|------------|---|--|
| | (iii) Auditor's Comment on (i) or (ii) above: | Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory. |
| III | <p>Signatories</p> <p>Sd/- Sunil Gupta Chief Financial Officer</p> <p>Sd/- Manish Dhanuka Managing Director</p> <p>Sd/- Manoj Goyal Audit Committee Chairman</p> <p>Place: Gurgaon Date : May 22, 2021</p> <p>Statutory Auditor</p> <p>Refer our Independent Auditors' report dated May 22, 2021 on Standalone Financial Results of the Company</p> <p>For CNGSN&Associates LLP Chartered Accountants Firm Registration No.004915S/S200036</p> <p>Sd/- Chinnsamy Ganesan Partner Membership No.027501</p> <p>Place : Chennai Date : May 22, 2021</p> | |

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

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended
March 31, 2021 – Consolidated Basis**

[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I | Sl.No | Particulars | Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs) | Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs) |
|----|--|---|--|---|
| | 1 | Turnover /Total Income (including other income) | 46,528.61 | 46,528.61 |
| | 2 | Total Expenditure (Including finance cost and exceptional items) | 58,115.14 | 58,115.14 |
| | 3 | Net Profit / (Loss) | (11586.53) | (11586.53) |
| | 4 | Earnings per Share (In Rs.) | (28.55) | (28.55) |
| | 5 | Total Assets | 123725.21 | 123725.21 |
| | 6 | Total Liabilities | 58434.43 | 58434.43 |
| | 7 | Net worth | 65290.78 | 65290.78 |
| | 8 | Any Other Financial item(s) (as felt appropriate by the management) | - | - |
| II | Audit Qualification (Each audit qualification separately) | | | |
| II | Audit Qualification (Each audit qualification separately) | | | |
| 1 | (a) | Details of Audit Qualification: | (a) Due to the extension of complete/ partial lockdown across India to contain the spread of the Covid'19 virus, the company could not complete the physical verification of fixed assets and its related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters. This is was qualified in our earlier year audit report also; | |
| | (b) | Type of Audit Qualification : | Qualified opinion | |
| | (c) | Frequency of Qualification : | Repetitive | |

| | | | |
|-----------|--|--|--|
| | (d) | For Audit Qualification(s) where the impact is quantified by the auditor, Management Views: | N.A. |
| | (e) For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | (i) | Management’s estimation on the impact of audit qualification: | N.A |
| | (ii) | If management is unable to estimate the impact, reason for the same | The management confirms that due to lock down restrictions in most part of the year the physical verification could not be conducted. Once the lock down is lifted and normalcy resumed this will be undertaken in a phased manner |
| | (iii) | Auditor’s Comment on (i) or (ii) above: | Refer “Basis for Qualified Opinion” in audit report read with relevant notes in the financial results, the same is self-explanatory. |
| II | Audit Qualification (Each audit qualification separately) | | |
| 2 | (a) | Details of Audit Qualification: | <p>The Consolidated Financial Statements for the year ended March 31, 2021 include the financial statements for the year ended March 31, 2021, of the following subsidiary companies:</p> <ul style="list-style-type: none"> (i) Orchid Europe Limited, UK (ii) Orchid Pharmaceuticals Inc., USA (iii) Bexel Pharmaceuticals Inc., USA (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (v) Diakron Pharmaceuticals, Inc. USA <p>We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs. 2,211.11 lakhs and net assets of (-) Rs.6,402.23 lakhs as at March 31, 2021, total revenue of Rs. 848.69 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of (-) Rs.580.31 lakhs and net cash flows amounting to Rs.77.70 lakhs for the year ended on that date, as considered in the consolidated financial statements.</p> |

| | | | |
|--|--|--|--|
| | | | <p>The financial statements of the subsidiaries are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and the balance in foreign currency translation reserve as at March 31, 2021 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.</p> |
| | (b) | Type of Audit Qualification : | Qualified opinion |
| | (c) | Frequency of Qualification : | Repetitive |
| | (d) | For Audit Qualification(s) where the impact is quantified by the auditor, Management Views: | N.A. |
| | (e) For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | (i) | Management's estimation on the impact of audit qualification: | N.A. |
| | (ii) | If management is unable to estimate the impact, reason for the same | <p>The subsidiaries of the Company are located in USA, UK and South Africa. Audit is not compulsory for companies in USA, if they are not publicly traded. The audit for the UK subsidiary is being done during fourth quarter of the Financial year and the subsidiary at South Africa does not have any operations. The cost of getting financials audited is also higher in USA. Hence the management has used unaudited financials for the purpose of consolidation, however the management has</p> |

| | | | |
|------------|---|--|--|
| | | | appointed auditor now for audit for the year 2020 |
| | (iii) | Auditor's Comment on (i) or (ii) above: | Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory. |
| III | <p>Signatories</p> <p>Sd/- Sunil Gupta Chief Financial Officer</p> <p>Sd/- Manish Dhanuka Managing Director</p> <p>Sd/- Manoj Goyal Audit Committee Chairman</p> <p>Place: Gurgaon Date : May 22, 2021</p> <p>Statutory Auditor</p> <p>Refer our Independent Auditors' report dated May 22, 2021 on Standalone Financial Results of the Company</p> <p>For CNGSN&Associates LLP Chartered Accountants Firm Registration No.004915S/S200036</p> <p>Sd/- Chinnsamy Ganesan Partner Membership No.027501</p> <p>Place : Chennai Date : May 22, 2021</p> | | |