

**Orchid Pharma Limited**

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
Ph. +91 - 44 - 2821 1000 / 2823-0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
CIN : L24222TN1992PLC022994

**Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS**

(Rs in lakhs)

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, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2019 (Audited)	Mar 31, 2020 (Audited)	Mar 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2020 (Audited)	Mar 31, 2019 (Audited)
1	Income from Operations	11,010.99	12,857.64	16,206.62	50,544.79	58,364.62	11,152.26	12,946.33	59,998.05
2	Net Sales / Income from operations	569.78	701.56	448.41	2,448.82	1,692.84	569.78	701.56	1,692.84
3	Other Income (Net)	11,580.77	13,559.20	16,655.03	52,993.61	60,057.46	11,722.04	13,647.89	61,690.89
4	Total Income (1+2)	5,797.03	5,351.14	6,997.42	23,423.93	25,743.48	5,813.09	5,336.68	26,283.92
	Expenses	9.16	1.50	-	16.68	29.84	9.16	1.50	29.84
	Cost of materials consumed	556.95	125.97	1,018.15	583.20	2,042.71	719.54	278.17	2,656.07
	Purchase of stock-in-trade - Traded goods	1,850.55	2,183.35	2,145.32	8,148.24	7,914.45	1,943.99	2,257.47	8,227.83
	Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods	78.10	108.81	-	415.85	29.96	78.10	328.62	29.96
	Employee benefit expenses	3,119.33	3,164.36	3,134.35	12,590.07	12,992.48	3,119.92	3,164.84	12,994.34
	Finance costs	5,600.47	6,098.58	6,815.93	22,799.22	23,903.22	3,924.16	5,049.88	24,620.95
	Depreciation and amortization expense	17,011.59	17,033.71	20,111.17	67,977.19	72,656.14	15,607.96	16,417.16	74,842.91
	Other expenses	(5,430.82)	(3,474.51)	(3,456.14)	(14,983.58)	(12,598.68)	(3,885.92)	(2,769.27)	(13,152.02)
5	Total Expenses	(5,430.82)	(3,474.51)	(3,444.51)	(14,983.58)	(10,105.13)	(3,885.92)	(2,769.27)	(13,107.00)
6	Profit/ (loss) before exceptional items and tax (3-4)	-	-	-	-	2,493.55	-	-	20,092.81
7	Exceptional items (refer note 4)	(5,430.82)	(3,474.51)	(1,344.51)	(14,983.58)	(10,105.13)	(3,885.92)	(2,769.27)	6,940.79
	Profit/ (loss) before tax (5+6)	-	-	-	-	-	-	-	-
8	Tax expense	-	-	-	-	-	-	-	-
	Current tax	-	-	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-	-	-	-
9	Profit/ (loss) for the period from continuing operations (7-8)	(5,430.82)	(3,474.51)	(1,344.51)	(14,983.58)	(10,105.13)	(3,885.92)	(2,769.27)	6,940.79

*Adhambur S.K. Saha*

**Orchid Pharma Limited**

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L24222TN1992PLC022994

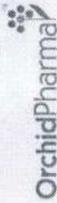
**Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS**

S. No.	Particulars	Stand alone financial results						Consolidated financial results		
		For the quarter ended		For the year ended		For the quarter ended		For the quarter ended		For the nine months ended
		Mar 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2019 (Audited)	Mar 31, 2020 (Audited)	Mar 31, 2019 (Audited)	Mar 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2020 (Audited)	Mar 31, 2019 (Audited)
9	Profit/ (loss) for the period from continuing operations (7-8)	(5,430.82)	(3,474.51)	(1,344.51)	(14,983.58)	(10,105.13)	(3,885.92)	(2,769.27)	(13,107.00)	6,940.79
10	Profit / (Loss) from discontinued operations	-	-	-	-	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-	-	-	-	-
12	Profit / (Loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-	-	-	-	-
13	Profit/ (loss) for the period (9+12)	(5,430.82)	(3,474.51)	(1,344.51)	(14,983.58)	(10,105.13)	(3,885.92)	(2,769.27)	(13,107.00)	6,940.79
14	Other comprehensive income , net of income tax	(263.77)	24.01	29.73	(202.23)	90.39	(263.77)	24.01	(202.23)	90.39
	a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	(ii) 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	-	-	-	-	-	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
15	Total other comprehensive income, net of income tax	(263.77)	24.01	29.73	(202.23)	90.39	(263.77)	24.01	(202.23)	90.39
16	Total comprehensive income/ (loss) for the period (13+14)	(5,694.59)	(3,450.50)	(1,314.78)	(15,185.81)	(10,014.74)	(4,149.69)	(2,745.26)	(13,309.23)	7,031.18
17	Paid-up equity share capital	4,081.64	8,896.43	8,896.43	4,081.64	8,896.43	4,081.64	8,896.43	4,081.64	8,896.43
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
	Earning per share (Rs) (not annualised)	(13.31)	(3.91)	(1.51)	(36.71)	(11.36)	(9.52)	(3.11)	(32.11)	7.80
	- Basic	(13.31)	(3.91)	(1.51)	(36.71)	(11.36)	(9.52)	(3.11)	(32.11)	7.80
	- Diluted	(13.31)	(3.91)	(1.51)	(36.71)	(11.36)	(9.52)	(3.11)	(32.11)	7.80

*Handwritten signature: S.K. S. H.*

## Orchid Pharma Limited

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
Ph. +91 -44 - 2821 1000 / 2823 0000 Fax: +91 -44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
CIN : L24222TN1992PLC022994



### Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS

#### Notes:

- 1 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an State Bank of India, one of the COC member, preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India and the Apex Court on February 28, 2020 has upheld the Order dated June 27, 2019 of NCLT, Chennai and set aside the Order dated November 13, 2019 of NCLAT.  
Accordingly, the Resolution Plan submitted by the Resolution Applicant, "Dhanuka Laboratories Limited" ("Dhanuka Laboratories") - was implemented during March 2020 and the Resolution Applicant was constituted by the Monitoring Committee of OPL with the nominations from the Resolution Applicant, with RP and two financial creditors of the Company on the effective date i.e. on March 31, 2020 as described in the Resolution Plan.  
The new board constituted by the Dhanuka Laboratories has approved these audited financial results after giving effect to approved resolution plan. The net impact on giving effect to the resolution plan is recognised as Capital Reserves in these financial results.
- 2 As per the Approved Resolution Plan, Dhanuka Laboratories have infused Rs. 61,000 lakhs which would be used as under:
  - a) towards to subscription of Equity share capital - Rs.4000 lakhs
  - b) towards payment/ settlement of CIRP costs, employees' workmen dues and Financial & Operational creditors - Rs.57000 lakhs
- 3 Subsequent to implementation plan, all secured Creditors have been paid and no dues obtained.
- 4 During the quarter ended March 31, 2020, the Company has incurred a net loss of Rs.5,689.70 lakhs and as of March 31, 2020 the Company's accumulated losses amounted to Rs.2,01,669.08 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.
- 5 Exceptional items presented in the above Statement of Consolidated and Standalone audited financial results for the quarter ended March 31, 2019 and for the year ended March 31, 2019 represents net of reversal of interest accrued and provided for the financial creditors post commencement of the Corporate Insolvency Process date, reversal of exchange rate fluctuation on capital advances and advances to suppliers and cash credit interest included in Outstanding liabilities, reduction in foreign currency loan liability on conversion to rupee loan by the banks.
- 6 The COVID-19 pandemic is rapidly spreading throughout the world. Orchid plants and offices were under nationwide lockdown since March 24, 2020 till June 30, 2020. However, the production was not suspended during the lock down due to Company is in essential goods industry, but production was restricted only to minimum level. As a result of lockdown the volumes for the month of March 2020 has been impacted. The Company is monitoring the situation closely.
- 7 The Company is in the process of 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 closely monitor any material changes arising of future economic conditions and impact on its business.
- 8 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.
- 9 The format for audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 10 In terms of the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended, the Company has disclosed Consolidated quarterly results from the quarter ended June 2019 and accordingly, no comparative figures have been provided for the other interim periods.
- 11 The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no reporting as per Ind AS 108 "Operating Segments" is applicable.
- 12 The figures for the quarter ending on March 31, 2020 represents the balancing figure between the audited results for the year ending on March 31, 2020 and the unaudited figures for the nine months ending on December 31, 2019.

*Handwritten signature: S.K.S. 5-14*

### Orchid Pharma Limited

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L24222TN1992PLC022994

#### Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS

#### Statement of assets and liabilities

Particulars	(Rs in lakhs)			
	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,02,071.50	1,14,050.79	1,02,079.11	1,14,059.67
Intangible assets	1,809.36	2,084.18	1,809.37	11,566.51
Capital work in progress	7,798.11	26,384.64	7,798.11	26,384.64
Intangible assets under development	1,054.07	1,431.00	1,054.07	1,431.00
Financial Assets				
Investments	33.83	47.21	33.83	47.21
Other financial assets	140.76	1,694.32	140.76	1,694.32
Other non-current assets	-	75,286.95	528.77	75,774.09
	<b>1,12,907.63</b>	<b>2,20,979.09</b>	<b>1,13,444.02</b>	<b>2,30,957.44</b>
<b>Current assets</b>				
Inventories	15,479.56	16,711.14	15,570.93	16,977.21
Financial Assets				
Trade receivables	6,638.11	14,072.78	6,796.94	11,989.09
Cash and cash equivalents	8,817.10	9,096.54	8,989.15	9,231.09
Bank balances other than above	8,602.85	23,320.79	8,602.85	23,320.79
Loans				
Other financial assets	11.75	311.15	11.75	311.15
Current tax assets (net)	5,938.27	6,980.40	5,938.27	6,980.40
Other current assets	12,778.93	7,853.44	12,811.68	7,936.33
	<b>58,266.57</b>	<b>78,346.24</b>	<b>58,721.57</b>	<b>76,746.06</b>
<b>Total - Assets</b>	<b>1,71,174.20</b>	<b>2,99,325.33</b>	<b>1,72,165.59</b>	<b>3,07,703.50</b>

*S. K. S. M. H.*

### Orchid Pharma Limited

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L24222TN1992PLC022994

#### Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS

<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	4,081.64	8,896.43	4,081.64	8,896.43
Other Equity	1,01,538.15	(84,395.49)	98,354.10	(79,300.18)
	<b>1,05,619.79</b>	<b>(75,499.06)</b>	<b>1,02,435.74</b>	<b>(70,403.75)</b>
<b>Non current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	50,147.07	1,42,460.71	50,147.07	1,42,460.71
Provisions	1,178.54	769.64	1,178.54	989.39
Deferred tax liabilities (Net)	322.62	322.62	322.62	322.62
	<b>51,648.23</b>	<b>1,43,552.97</b>	<b>51,648.23</b>	<b>1,43,772.72</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	-	69,549.00	-	69,549.00
Trade payables	6,205.84	26,992.83	10,343.51	30,244.69
Provisions	324.91	363.24	324.91	143.49
Other current liabilities	7,375.43	1,34,366.35	7,413.20	1,34,397.35
	<b>13,906.18</b>	<b>2,31,271.42</b>	<b>18,081.62</b>	<b>2,34,334.53</b>
<b>Total - Equity and Liabilities</b>	<b>1,71,174.20</b>	<b>2,99,325.33</b>	<b>1,72,165.59</b>	<b>3,07,703.50</b>

*Handwritten signature: Pdhamala*  
*Handwritten signature: S.K. SMY*

**Orchid Pharma Limited**

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L2422TN1992PLC022994



**Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS**

Particulars	(Rs in lakhs)			
	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Cash Flow From Operating Activities</b>				
Profit/ loss before income tax	(14,983.57)	(10,105.13)	(13,107.00)	6,940.79
Adjustments for				
Depreciation and amortisation expense	12,590.07	12,992.48	12,592.11	12,994.34
(Profit)/ loss on sale of fixed assets	(8.82)	(0.34)	(8.82)	(0.34)
Interest income	(2,417.51)	(1,508.54)	(2,417.51)	(1,508.54)
Forex (Gain)/Loss Unrealised	3,782.17	9,161.98	3,108.55	8,973.90
Reversal of finance cost provision post CIRP period	-	(15,865.47)	-	(15,865.47)
Provision for diminution in value of investments	-	12,429.90	-	60.00
Provision for Advances to Subsidiaries	5,229.36	5,229.36	-	-
Allowance for expected credit loss	3,096.54	930.17	266.49	930.17
Finance costs (grouped under exceptional)	-	119.52	-	-
Finance costs	415.85	29.96	415.85	149.48
	<b>2,474.73</b>	<b>13,413.89</b>	<b>849.67</b>	<b>12,674.33</b>
<b>Change in operating assets and liabilities</b>				
(Increase)/ decrease in loans	829.13	195.66	829.14	222.65
(Increase)/ decrease in Other financial assets	1,231.58	1,783.25	1,406.28	2,396.61
(Increase)/ decrease in inventories	3,813.57	(443.46)	4,401.10	(914.98)
(Increase)/ decrease in trade receivables	(697.03)	(7,888.31)	(688.52)	(7,693.43)
(Increase)/ decrease in Other assets	(512.87)	710.62	(528.69)	712.51
(Increase)/ (decrease) in provisions and other liabilities	(142.05)	(5,825.62)	766.35	(5,767.65)
	<b>6,997.06</b>	<b>1,946.03</b>	<b>7,035.33</b>	<b>1,630.04</b>
Cash generated from operations	1,042.13	(427.60)	1,042.13	(427.60)
Less : Income taxes paid (net of refunds)				
<b>Net cash from operating activities (A)</b>	<b>8,039.19</b>	<b>1,518.43</b>	<b>8,077.46</b>	<b>1,202.44</b>

*Palaniappan*

### Orchid Pharma Limited

Regd. Office: 'Orchid Towers' #313, Valvar Kottak High Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India  
 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email id: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L24222TN1992PLC022994

#### Statement of Audited Consolidated and Standalone Financial Results for the quarter and year ended March 31, 2020 under Ind AS

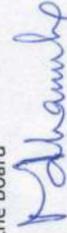
<b>Cash Flows From Investing Activities</b>				
Purchase of PPE (including changes in CWIP)	(420.63)	(662.10)	(421.40)	(662.66)
Sale proceeds of PPE	-	-	-	-
(Purchase)/ disposal proceeds of Investments	-	(0.17)	-	(0.17)
(Investments in)/ Maturity of fixed deposits with banks	14,717.94	3,723.16	14,717.94	3,723.16
Interest received	2,417.51	1,486.98	2,417.51	1,486.98
<b>Net cash used in investing activities (B)</b>	<b>16,714.82</b>	<b>4,547.87</b>	<b>16,714.05</b>	<b>4,547.31</b>
<b>Cash Flows From Financing Activities</b>				
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	(1,04,410.32)	-	(1,04,410.32)	-
Finance costs	(32.53)	(29.96)	(32.53)	(29.96)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(25,033.45)</b>	<b>(29.96)</b>	<b>(25,033.45)</b>	<b>(29.96)</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>(279.44)</b>	<b>6,036.34</b>	<b>(241.94)</b>	<b>5,719.79</b>
Cash and cash equivalents at the beginning of the financial year	9,096.54	3,060.20	9,231.09	3,511.30
<b>Cash and cash equivalents at end of the year</b>	<b>8,817.10</b>	<b>9,096.54</b>	<b>8,989.15</b>	<b>9,231.09</b>

For and on behalf of the Board

Place: Chennai

Date : June 29, 2020

Initialled for identification purposes



Shri Manish Dhanuka  
Managing Director



Shri Sunil Gupta  
CFO



## **CNGSN & ASSOCIATES LLP**

### **CHARTERED ACCOUNTANTS**

Flat No.6, First Floor, Vignesh Apartments, North Avenue,  
Sri Nagar Colony, Little Mount, Chennai - 600 015.  
Tel : +91-44-22301251 ; Fax : +91-44-4554 1482  
Web : www.cngsn.com ; Email : cg@cngsn.com

**Dr. C.N. GANGADARAN**  
B.Com., FCA, MBIM (Lond.), Ph.d.

**S. NEELAKANTAN**  
B.Com., FCA

**R. THIRUMALMARUGAN**  
M.Com., FCA

**B. RAMAKRISHNAN**  
B.Com., Grad. CWA, FCA

**V. VIVEK ANAND**  
B.Com., FCA

**CHINNSAMY GANESAN**  
B.Com., FCA, DISA (ICAI)

**D. KALAJALAGAN**  
B.Com., FCA, DISA (ICAI)

**K. PARTHASARATHY**  
B.Com., FCA

**NYAPATHY SRILATHA**  
M.Com., FCA, PGDFM

**E.K. SRIVATSAN**  
B.Com., FCA

**Independent Auditors' Report**  
on quarter and year to date Standalone financial results for the quarter and year ended March 31, 2020 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, 2020 ("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, 2020.



## Basis for Qualified Opinion

We draw attention to the following matters:

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

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

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

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

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

We draw attention to

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

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

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

- b) Note 5 and 6 of the financial results which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

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

### Other Matters

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

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

We bring to the attention of the users that the audit of the Statement has been performed in the aforesaid conditions. Our audit opinion is not modified in respect of the above.



### 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

### Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

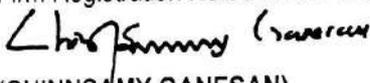
- Evaluate the overall presentation, structure and content of Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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: 20027501AAAABG8581



Place: Chennai  
Date: June 29, 2020



## CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Flat No.6, First Floor, Vignesh Apartments, North Avenue,  
Sri Nagar Colony, Little Mount, Chennai - 600 015.  
Tel : +91-44-22301251 ; Fax : +91-44-4554 1482  
Web : www.cngsn.com ; Email : cg@cngsn.com

**Dr. C.N. GANGADARAN**  
B.Com., FCA, MBIM (Lond.), Ph.d.

**S. NEELAKANTAN**  
B.Com., FCA

**R. THIRUMALMARUGAN**  
M.Com., FCA

**B. RAMAKRISHNAN**  
B.Com., Grad. CWA, FCA

**V. VIVEK ANAND**  
B.Com., FCA

**CHINNSAMY GANESAN**  
B.Com., FCA, DISA (ICAI)

**D. KALAIJALAGAN**  
B.Com., FCA, DISA (ICAI)

**K. PARTHASARATHY**  
B.Com., FCA

**NYAPATHY SRILATHA**  
M.Com., FCA, PGDFM

**E.K. SRIVATSAN**  
B.Com., FCA

**Independent Auditors' Report**  
on quarter and year to date consolidated financial results for the quarter and year ended March 31, 2020  
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, 2020 ("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, 2020, of the following subsidiary companies:
  - (i) Orchid Europe Limited, UK
  - (ii) Orchid Pharmaceuticals Inc., USA
  - (iii) Bexel Pharmaceuticals Inc., USA
  - (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
  - (v) Diakron Pharmaceuticals, Inc. USA
- (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, 2020.



### Basis for Qualified Opinion

We draw attention to the following matters:

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

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

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

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

- (b) Further, due to the extension of lockdown till June 30, 2020 across India to contain the spread of the Covid'19 virus, sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account, direct confirmation for certain bank balances could not be obtained. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.
- (c) The consolidated financial results for the quarter and year ended March 31, 2020 include the financial results for the quarter and year ended March 31, 2020 of the following subsidiary companies:

- (i) Orchid Europe Limited, UK
- (ii) Orchid Pharmaceuticals Inc., USA
- (iii) Bexel Pharmaceuticals Inc., USA
- (iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
- (v) Diakron Pharmaceuticals, Inc. USA

We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs. Rs.991.39 lakhs and net assets of (-) Rs.3,184.05 lakhs as at March 31, 2020, total revenue of Rs. 259.25 lakhs, total comprehensive Income (comprising of loss and other comprehensive income) of Rs. Rs.1,876.58 lakhs and net cash flows amounting to Rs.37.50 lakhs for the year ended on that date, as considered in the consolidated financial statements.



The financial statements of the subsidiaries are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries as at March 31, 2020 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.

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

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the 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

We draw attention to

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

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

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

- b) Note 5 and 6 of the financial results which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

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



### Other Matters

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

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

We bring to the attention of the users that the audit of the Statement 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.



### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

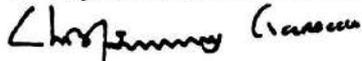


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: UDIN: 20027501AAAABG8581



Place: Chennai  
Date: June 29, 2020

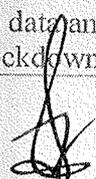


**Statement on Impact of Audit Qualifications (for audit reports with modified opinion)  
submitted along with Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended  
March 31, 2020 – Standalone Basis**

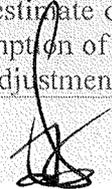
**[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

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)	52993.61	52993.61
	2	Total Expenditure (Including finance cost and exceptional items)	68179.42	68179.42
	3	Net Profit / (Loss)	(15185.81)	(15185.81)
	4	Earnings per Share (In Rs.)	(16.84)	(16.84)
	5	Total Assets	171174.20	171174.20
	6	Total Liabilities	65554.41	65554.41
	7	Net worth	105619.79	105619.79
	8	Any Other Financial item(s) (as felt appropriate by the management)	-	-
II	<b>Audit Qualification (Each audit qualification separately)</b>			
1	(a)	<b>Details of Audit Qualification:</b>	<p>The management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of property, plant and equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories, which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present limitation/ access to data and consultants due to the nationwide lockdown pursuant to the</p>	

		<p>Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters Section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63 Lakhs.</p> <p>The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.</p> <p>In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework.</p> <p>The possible impact, if any, arising out of the above matters on the Statement is not presently determinable.</p>
(b)	<b>Type of Audit Qualification :</b>	Qualified opinion
(c)	<b>Frequency of Qualification :</b>	First Time
(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A.
<b>(e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>		
(i)	<b>Management's estimation on the impact of audit qualification:</b>	N.A.
(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	The new management has taken over the Company on the last day of the Financial year, consequent to the approval of the Resolution Plan approved by Hon'ble NCLT, Chennai. The impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any

Madhani S.K. 9/4/21



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

Kathambur S.K. S-44



Sunil Gupta  
Chief Financial Officer

S.F. SGM

Manish Dhanuka  
Managing Director

Manish Dhanuka

Manoj Goyal  
Audit Committee Chairman

Manoj Goyal

Place: Chennai  
Date : June 29, 2020

**Statutory Auditor**

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

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

Chinnsamy Ganesan

Chinnsamy Ganesan  
Partner  
Membership No.027501

Place : Chennai  
Date : June 29, 2020



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

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended  
March 31, 2020 – Consolidated Basis**

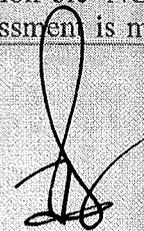
**[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I		Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)*
Sl.No	Particulars		
1	Turnover /Total Income (including other income)	53252.86	53252.86
2	Total Expenditure (Including finance cost and exceptional items)	66562.09	66562.09
3	Net Profit / (Loss)	(13309.23)	(13309.23)
4	Earnings per Share (In Rs.)	(32.11)	(32.11)
5	Total Assets	172165.59	172165.59
6	Total Liabilities	69729.85	69729.85
7	Net worth	102435.74	102435.74
8	Any Other Financial item(s) (as felt appropriate by the management)	-	-
<b>II Audit Qualification (Each audit qualification separately)</b>			
1	(a) <b>Details of Audit Qualification:</b>	The management has based on the internal evaluation and the best estimate made by it, has not recognised any impairment in the carrying value of property, plant and equipment (PPE) and internally generated intangible assets comprising of DBF/ ANDA and recognised a partial impairment loss against PPE under development, intangibles under development and non-moving and slow moving inventories, which were subject matters of audit qualification for the earlier quarters and years. We were informed that the above estimate could not be supported by a detailed working, technical analysis, basis for the business projections, independent evaluation of the management estimate using external experts and other supporting information due to the limitations in getting all the related data and external evidences supporting the assumptions used in the estimate due to the present	

Balhanda S.K.S-114

		<p>limitation/ access to data and consultants due to the nationwide lockdown pursuant to the Covid'19 Pandemic. The above coupled with the other adjustments made to give effect for the resolution plan as morefully explained in the Emphasis of Matters Section of this report has resulted in recognition of capital reserve Rs. 1,84,169.63Lakhs.</p> <p>The management confirms that the impairment assessment is made internally with the presently available data and will review/ reassess the present estimate on lifting of the lockdown and on resumption of business at normal levels and further adjustments, if any required, will be made on completion of a comprehensive impairment testing.</p> <p>In the absence of completion of such comprehensive impairment testing, we are unable to comment on the impact, if any, on the financial results, the carrying amounts of the aforesaid account balances and on the appropriateness of recognising capital reserve as aforesaid as per applicable financial reporting framework.</p> <p>The possible impact, if any, arising out of the above matters on the Statement is not presently determinable.</p>
(b)	<b>Type of Audit Qualification :</b>	Qualified opinion
(c)	<b>Frequency of Qualification :</b>	First Time
(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A.
<b>(e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>		
(i)	<b>Management's estimation on the impact of audit qualification:</b>	N.A.
(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	The new management has taken over the Company on the last day of the Financial year, consequent to the approval of the Resolution Plan approved by Hon'ble NCLT, Chennai. The impairment assessment is made internally

M. Shankar  
S.R. 9/11/14



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

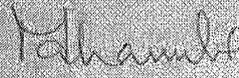
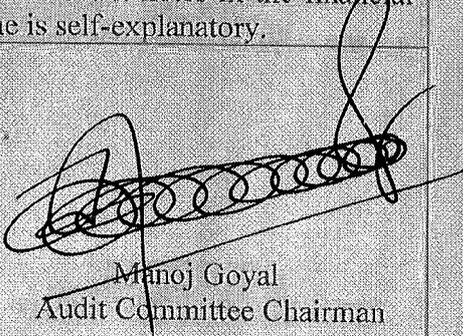
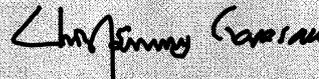
*Subhash S.F.S.H*



3	(a)	<b>Details of Audit Qualification:</b>	<p>The consolidated financial results for the quarter and year ended March 31, 2020 include the financial results for the quarter and year ended March 31, 2020 of the following subsidiary companies:</p> <ul style="list-style-type: none"> <li>(i) Orchid Europe Limited, UK</li> <li>(ii) Orchid Pharmaceuticals Inc., USA</li> <li>(iii) Bexel Pharmaceuticals Inc., USA</li> <li>(iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa</li> <li>(v) Diakron Pharmaceuticals, Inc. USA</li> </ul> <p>We did not audit the financial statements of the above subsidiaries that reflect total assets of Rs. Rs.991.39 lakhs and net assets of Rs. 4,175.44 lakhs as at March 31, 2020, total revenue of Rs. 259.25 lakhs, total comprehensive Income (comprising of loss and other comprehensive income) of Rs. Rs.1,876.58 lakhs and net cash flows amounting to Rs.37.50 lakhs for the year ended on that date, as considered in the consolidated financial statements.</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 as at March 31, 2020 included in the Consolidated Financial Statements. This has also been qualified in our limited review reports of the earlier quarters and audit reports of earlier years.</p>
	(b)	<b>Type of Audit Qualification :</b>	Qualified opinion
	(c)	<b>Frequency of Qualification :</b>	Repetitive
	(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A.

Mohamud S.K. SMY



	<b>(c) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
(i)	<b>Management's estimation on the impact of audit qualification:</b>	N.A.
(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	The subsidiaries of the Company are located in USA, UK and South Africa. Audit is not compulsory for companies in USA, if they are not publicly traded. The audit for the UK subsidiary is being done during third quarter of the Financial year and the subsidiary at South Africa does not have any operations. The cost of getting financials audited is also higher in USA. Hence the management has used unaudited financials for the purpose of consolidation.
(iii)	<b>Auditor's Comment on (i) or (ii) above:</b>	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory.
<b>II</b>	<b>Signatories</b>	
	 Sunil Gupta Chief Financial Officer	 Manish Dhanuka Managing Director
		 Manoj Goyal Audit Committee Chairman
	Place: Chennai Date : June 29, 2020	
	<b>Statutory Auditor</b>	
	Refer our Independent Auditors' report dated June 29, 2020 on Standalone Financial Results of the Company	
	<b>For CNGSN&amp;Associates LLP</b> Chartered Accountants Firm Registration No.004915S/S200036	
	 Chinnsamy Ganesan	

Partner  
Membership No.027501

Place : Chennai  
Date : June 29, 2020