

# Orchid Bio-Pharma Limited

1st Floor (East Portion), Plot No. A10, SIDCO Industrial Estate, Alathur Chengalpattu, Tamil Nadu - 603110, India  
CIN - U24230TN2022PLC150784

## Standalone Balance Sheet as at March 31, 2024

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	377.88	0.51
(b) Capital work-in-progress	4	621.12	-
(d) Other non-current assets	5	677.04	-
<b>Total Non-Current Assets (A)</b>		<b>1,676.04</b>	<b>0.51</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Cash & cash equivalents	6	2.50	18.28
(ii) Bank balances other than (i) above	7	603.16	400.00
(b) Current Tax Assets (Net)	8	-	1.57
(c) Other Current Assets	9	78.66	14.14
<b>Total Current Assets (B)</b>		<b>684.31</b>	<b>434.00</b>
<b>Total Assets (A+B)</b>		<b>2,360.35</b>	<b>434.50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	1,500.00	0.10
(b) Other Equity	11	(5.19)	(36.65)
<b>Total Equity (C)</b>		<b>1,494.81</b>	<b>(36.55)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	811.04	469.72
(ii) Trade Payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues to creditors other than micro and small enterprises	13	23.29	-
(b) Other Current Liabilities	14	26.60	1.33
(b) Current Tax Liabilities (Net)	15	4.61	-
<b>Total Current Liabilities (D)</b>		<b>865.54</b>	<b>471.05</b>
<b>Total Equity and Liabilities (C+D)</b>		<b>2,360.35</b>	<b>434.50</b>

See accompanying notes forming part of the financial statements  
As per our report of even date attached

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0.00

**For Ashok Kumar Malhotra & Associates**

Chartered Accountants  
Firm Registration No.014498C

**For and on behalf of the board**

**Ashok Kumar Malhotra**

Proprietor  
Membership No.082258  
Date : 20th May, 2024  
Place : Noida

**Manish Dhanuka**

Director  
DIN: 00238798  
Date : 20th May, 2024  
Place : Gurugram

**Mridul Dhanuka**

Director  
DIN: 00199441  
Date : 20th May, 2024  
Place : Gurugram

**Sunil Gupta**

Chief Financial Officer  
Date : 20th May, 2024  
Place : Gurugram

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CIN - U24230TN2022PLC150784

## Statement of Standalone Profit and Loss for the year ended March 31, 2024

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I Income</b>			
Other Income	16	60.67	15.71
<b>Total Income</b>		<b>60.67</b>	<b>15.71</b>
<b>II Expenses</b>			
Employee benefits expenses	17	-	6.12
Finance costs	18	16.03	26.86
Depreciation and amortization expense	3	1.81	0.08
Other expenses	19	0.66	19.29
<b>Total expenses</b>		<b>18.50</b>	<b>52.35</b>
<b>III Profit/ (loss) before exceptional items and tax</b>			
<b>IV Exceptional Items</b>			
Exceptional Items - Income / (Expenses)		-	-
<b>V Profit/ (loss) before tax</b>		42.18	(36.65)
Income tax expense:			
Current tax		10.71	-
Deferred tax charge/ (credit)		-	-
<b>VI Profit/ (Loss) for the period</b>		<b>31.46</b>	<b>(36.65)</b>
<b>VII Other comprehensive income</b>		-	-
<b>Total comprehensive Income/ (loss) for the year</b>		<b>31.46</b>	<b>(36.65)</b>
<b>Earnings per share (for discontinued &amp; continuing operation)</b>			
Basic earnings per share (in INR)	24	0.22	(3,586.22)
Diluted earnings per share (in INR)	24	0.22	(3,586.22)

See accompanying notes forming part of the financial statements

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As per our report of even date attached

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Chartered Accountants

Firm Registration No.014498C

### Ashok Kumar Malhotra

Proprietor

Membership No.082258

Date : 20th May, 2024

Place : Noida

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Director

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## Statement of Cash flow statement for the year ended March 31,2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash Flow From Operating Activities</b>		
Profit/ (loss) before income tax	42.18	(36.65)
<b>Adjustments for:</b>		
Depreciation	1.81	0.08
Interest expense	16.03	24.49
Interest Income	(60.67)	(15.71)
	(0.65)	(27.79)
<b>Change in operating assets and liabilities</b>		
Increase in other current assets	-62.86	1.57
Increase in trade payables	-	-
Increase in other current liabilities	25.27	1.33
<b>Cash generated from operations</b>	<b>(38.24)</b>	<b>(24.89)</b>
Less : Income taxes paid/ (refund received)	-4.53	-1.57
<b>Net cash Used operating activities (A)</b>	<b>(42.77)</b>	<b>(26.46)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Property, plant and equipment (including changes in CWIP)	(977.02)	(0.59)
Increase in Other Non Current Assets	(677.04)	
Loan given to Related Parties	(865.00)	
Loan Repaid by the Related Parties	865.00	
Interest Received	59.01	
Investments in fixed deposits with banks	(203.16)	(400.00)
<b>Net cash used in investing activities (B)</b>	<b>(1,798.21)</b>	<b>(400.59)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from Share Capital Issued	1,499.90	0.10
Expenses paid by the related parties on behalf of company	116.44	19.68
Expenses paid by the company on behalf of related parties	-	(2.45)
Proceeds from Short term Borrowings	672.07	428.00
Repayment of Short term Borrowings	(447.18)	
Interest Paid	-16.03	
<b>Net cash Proceeds from financing activities (C)</b>	<b>1,825.20</b>	<b>445.33</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>-15.78</b>	<b>18.28</b>
Cash and cash equivalents at the beginning of the financial year	18.28	
<b>Cash and cash equivalents at end of the year (Refer Note 6)</b>	<b>2.50</b>	<b>18.28</b>

See accompanying notes forming part of the financial statements  
As per our report of even date attached

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**For Ashok Kumar Malhotra & Associates**

Chartered Accountants  
Firm Registration No.014498C

**Ashok Kumar Malhotra**

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

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### 1 Corporate Information

Orchid Bio-Pharma Ltd is incorporated on 24 March 2022, is dedicated to improving the lives through innovative, safe, and green chemistry. Our company is a Subsidiary of Orchid Pharma Ltd, a leading Cephalosporin antibiotics player in the world. OBPL was founded on the principles of Atmanirbhar Bharat, to make products, for which, India currently is dependent on China.

At our core, we are committed to the pursuit of scientific excellence and the development of cutting-edge green chemistry. We believe that by leveraging the latest advances in biology, genetics, and chemistry, we can help improve the lives of millions of people around the world.

### 2. MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

##### Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

#### 2.2 Summary of Material Accounting Policies

##### a) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future

##### b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

##### c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

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

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### d) Revenue Recognition

Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

### Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the

### e) Property, plant and equipment and capital work in progress

#### Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

#### Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

#### Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### f) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Drug Master Files ("DMF") and Abbreviated New Drug Applications ("ANDA") costs represent expenses incurred on development of processes and compliance with regulatory procedures of the US FDA, in filing DMF and ANDA, in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements.

### Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The cost of each DMF/ ANDA (self generated intangible assets) is amortised to the extent of recovery of developmental costs applicable as per terms of the agreement or over a period of 5 years from the date on which the product covered by DMF/ ANDA is commercially

### h) Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### i) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

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

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

### Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has

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

neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from contract with Customers"

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116 "Leases"

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:**  
ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment



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allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify

# Orchid Bio-Pharma Limited

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

	for hedge accounting under Ind AS 109 and other financial liabilities held for trading.
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### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments" and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from contract with Customers".

### Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

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

4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at <u>amortised cost</u> .
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### j) Foreign currency transactions and translations Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

### k) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### l) Taxes

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

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### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## m) Provisions, contingent liabilities and contingent asset

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

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

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### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately. Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### o) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### p) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### q) Recent Indian Accounting Standards (Ind AS)

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

The Indian insurance industry is set for a significant transformation as the regulator plans to implement IND AS 117 from April 01, 2024, aligning with global standards like IFRS 17. Under IND AS 117, insurers must provide unbiased estimates of future cash flows and assess the impact of adjustments.

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

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

### (A) Equity Share Capital

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
	No. of Shares	No. of Shares	Amount	Amount
Balance at the beginning of the reporting period	1,000	-	0.10	-
Changes in equity share capital during the period	1,49,99,000	1,000	1,499.90	0.10
Balance at the end of the reporting period	1,50,00,000	1,000	1,500.00	0.10

### (B) Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as at March 31, 2022	-	-	-	-	-	-
Net Loss for the period	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	-	(36.65)	(36.65)
Total profit for the period	-	-	-	-	31.46	31.46
Changes due to prior period errors	-	-	-	-	-	-
Any other adjustment during the year	-	-	-	-	-	-
Balance as at March 31, 2024	-	-	-	-	(5.19)	(5.19)

See accompanying notes forming part of the financial statements  
As per our report of even date attached

For and on behalf of the board

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

**Ashok Kumar Malhotra**  
Proprietor  
Membership No.082258  
Date : 20th May, 2024  
Place : Noida

**Manish Dhanuka**  
Director  
DIN: 00238798  
Date : 20th May, 2024  
Place : Gurugram

**Mridul Dhanuka**  
Director  
DIN: 00199441  
Date : 20th May, 2024  
Place : Gurugram

**Sunil Gupta**  
Chief Financial Officer  
Date : 20th May, 2024  
Place : Gurugram

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

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

### 3 Property, plant and equipment

Particulars	Freehold Land	Vehicle	Computer	Total
<b>Cost</b>				
<b>As at April 1, 2022</b>	-	-	-	-
Additions during the year	-	-	0.59	0.59
Disposals during the year	-	-	-	-
<b>As at March 31, 2023</b>	-	-	<b>0.59</b>	<b>0.59</b>
Additions during the year	367.18	10.28	1.73	379.19
Disposals during the year	-	-	-	-
<b>As at March 31, 2024</b>	<b>367.18</b>	<b>10.28</b>	<b>2.32</b>	<b>379.78</b>
<b>Accumulated depreciation/ Amortisation</b>				
<b>As at April 1, 2022</b>	-	-	-	-
Depreciation for the year	-	-	0.08	0.08
<b>As at March 31, 2023</b>	-	-	<b>0.08</b>	<b>0.08</b>
Depreciation for the year	-	0.74	1.08	1.81
<b>As at March 31, 2024</b>	-	<b>0.74</b>	<b>1.16</b>	<b>1.90</b>
<b>Net Carrying Value</b>				
<b>As at March 31, 2024</b>	<b>367.18</b>	<b>9.54</b>	<b>1.17</b>	<b>377.88</b>
<b>As at March 31, 2023</b>	-	-	0.51	<b>0.51</b>

#### Notes :

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

### 4 Capital work-in-progress

Particulars	As at March 31,2024	As at March 31,2023
Capital work-in-progress represents Green field fermentation facility the breakup as follows:-		
Material and Service	419.61	-
Forex Gain & Loss	0.43	
Preoperative Expense	201.08	
<b>Total</b>	<b>621.12</b>	<b>-</b>

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>5 Other non-current assets</b>		
Land Advance (For procurement of Land at Jammu to the farmers and land aggregator)	677.04	-
	<b>677.04</b>	<b>-</b>
<b>6 Cash &amp; cash equivalent</b>		
Balance with banks in current account	-	18.28
Cash on hand	2.50	-
	<b>2.50</b>	<b>18.28</b>
<b>7 Other bank Balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months from reporting date (Lien marked on Fixed deposit of Rs. 400.00 Lakhs against bank guarantee amounting INR 400 lakhs and 200.00 Lakhs against Overdraft facility)	603.16	400.00
	<b>603.16</b>	<b>400.00</b>
<b>8 Current tax assets</b>		
Income Tax Refund Receivable (Net of provision)	-	1.57
	<b>-</b>	<b>1.57</b>
<b>9 Other current assets</b>		
Interest accrued but not due on deposits	15.80	14.14
GST receivables	62.86	-
	<b>78.66</b>	<b>14.14</b>
<b>10 Equity Share Capital</b>		
<b>Authorised</b>		
1,50,00,000 Equity shares of Rs. 10.00 each (Previous year 1,000 equity shares of Rs. 10.00 each)	1,500.00	0.10
	<b>1,500.00</b>	<b>0.10</b>
<b>Issued, subscribed &amp; Fully paid-up</b>		
1,50,00,000 Equity shares of Rs. 10.00 each (Previous year 1,000 equity shares of Rs. 10.00 each)	1,500.00	0.10
	<b>1,500.00</b>	<b>0.10</b>

### Notes:

Particulars	As at March 31,2024	As at March 31,2023
<b>(a) Reconciliation of shares outstanding at the beginning and at the end of the period</b>		
Shares outstanding at the beginning of the period	1,000	-
Share issued during the period	1,49,99,000	1,000
<b>At the end of the period</b>	<b>1,50,00,000</b>	<b>1,000</b>

### (b) Shares held by holding, subsidiary and associate companies

Name of the share holders	As on March 31, 2022		As on March 31,2024	
	No. of Shares	Percentage %	No. of Shares	Percentage %
Orchid Pharma Limited (holding company)	1,49,99,994	99.99996%	994	99.40%

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

### (c) Shares held by promoters at the end of the year

Name of the share holder (promoter)	As on March 31, 2022		As on March 31,2023	
	No. of Shares	Percentage %	No. of Shares	Percentage %
Orchid Pharma Limited (holding company)	1,49,99,994	99.99996%	994	99.40%
Shri Arjun Dhanuka*	1	0.00001%	1	0.00067%
Shri Arun Kumar Dhanuka*	1	0.00001%	1	0.00067%
Shri Harsh Dhanuka*	1	0.00001%	1	0.00067%
Shri Mahendera Kumar Dhanuka*	1	0.00001%	1	0.00067%
Shri Mridul Dhanuka*	1	0.00001%	1	0.00067%
Shri Ram Gopal Agarwal	1	0.00001%	1	0.00067%

\*Holding shares in the capacity of nominee of Orchid Pharma Limited

### (d) Terms/ Rights attached to Issued Equity Capital

The Company has only one class of equity shares having a par value of Rs 10 each . The equity shares of the company having par value of Rs 10/- rank pari passu in all respects including voting rights and entitlement to dividend.

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>11 Other Equity</b>		
<b>Retained earnings</b>		
Opening balance	(36.65)	-
Net Profit /(loss)for the year	31.46	(36.65)



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

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

		(5.19)	(36.65)
<b>12 Borrowings</b>			
<b>Secured</b>			
Bank Overdraft from HDFC Bank (Secured against fixed deposit of the company)	22.07	-	
<b>Unsecured</b>			
Loans repayable on demand from related parties	788.97	469.72	
	<b>811.04</b>	<b>469.72</b>	
<b>14 Other current liabilities</b>			
Provision for expenses payable	0.27	1.04	
Expense payable	15.14	-	
Statutory dues payable	11.19	0.29	
	<b>26.60</b>	<b>1.33</b>	
<b>15 Current Tax Liabilities (Net)</b>			
Provision for Tax (Net of TDS and advance tax)	4.61	-	
	<b>4.61</b>	<b>-</b>	
<b>16 Other Income</b>			
Interest income	60.67	15.71	
	<b>60.67</b>	<b>15.71</b>	
<b>17 Employees Benefit Expenses</b>			
Salaries, wages, bonus and other allowances	-	6.12	
	<b>-</b>	<b>6.12</b>	
<b>18 Finance Cost</b>			
Bank charges	-	2.37	
Interest on loan	16.03	24.49	
	<b>16.03</b>	<b>26.86</b>	
<b>19 Other Expenses</b>			
Legal & professional expenses	-	13.90	
Software and license	0.51		
Telephone expense	0.12		
Travelling and conveyance expenses	-	4.37	
Printing and stationery	0.02	0.03	
Advance written off	-	1.00	
	<b>0.65</b>	<b>19.30</b>	
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
<b>20 Capital Commitments</b>			
Estimated amount of Contracts remaining to be executed Capital Account (Net of Advances)	2,090.00	-	
<b>21 Contingent Liabilities</b>			
Bank Guarantees	400.00	400.00	
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
<b>22 Earnings Per Share</b>			
Profit/Loss for the year attributable to owners of the company	31.46	(36.65)	
Weighted average number of ordinary shares outstanding for Basic earnings per share	1,40,12,764	1,021.92	
Weighted average number of ordinary shares outstanding for Diluted earnings per share	1,40,12,764	1,021.92	
Basic earnings per share (Rs)	0.22	(3,586.22)	
Diluted earnings per share (Rs)	0.22	(3,586.22)	

**13. TRADE PAYABLE**

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

Particulars	As on March 31,2024				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	23,28,736.00	-	-	-	<b>23,28,736.00</b>
ii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
<b>TOTAL</b>	<b>23,28,736.00</b>	-	-	-	<b>23,28,736.00</b>

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

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### 23 Financial Instruments

#### Capital management

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

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

Categories of Financial Instruments	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>a. Measured at amortised cost</b>					
Cash and cash equivalents	6	2.50	2.50	18.28	18.28
Bank balances other than above	7	603.16	603.16	400.00	400.00
<b>Financial liabilities</b>					
<b>b. Measured at amortised cost</b>					
Borrowings (current)	12	811.04	811.04	469.72	469.72

#### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

#### Foreign currency sensitivity analysis

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

#### Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

# Orchid Bio-Pharma Limited

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

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

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### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### Credit risk management

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

### Exposure to credit risk

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

#### (a) Trade Receivables

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

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

#### (b) Investments, Cash and Cash Equivalents and Bank Deposits

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

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

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

### Offsetting related disclosures

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

### Liquidity risk management

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

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

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

### 24 Related party disclosure

#### a) Names of related parties and related party relationship

Holding Company	Orchid Pharma Limited
Key Managerial Personnel	Mridul Dhanuka (Director, appointed w.e.f. March 24, 2022) Manish Dhanuka (Director, appointed w.e.f. March 24, 2022) Ram Gopal Agarwal (Director, appointed w.e.f. March 24, 2022)

#### b) Transactions with related parties are as follows

Transactions/ Balances	Holding Company	Subsidiary and Associate Companies	Enterprises in which Key Management Personnel and their Relatives have significant influence	Key Management Personnel and their Relatives	For the year ended			
					31.03.2024	31.03.2023	31.03.2024	31.03.2023
					31.03.2024	31.03.2023	31.03.2024	31.03.2023
Loan taken	1,515.00	428.00	-	-	-	-	-	-
Loan given	865.00		-	-	-	-	-	-
Interest on loan Paid	13.33	24.49	-	-	-	-	-	-
Interest on Loan Received	16.43		-	-	-	-	-	-
Issue of Shares	1,499.90		-	-	-	-	-	-
Expenses paid by the related parties on behalf of company	116.44	19.68	-	-	-	-	-	-
Expenses paid by the company on behalf of related parties		2.45	-	-	-	-	-	-

#### c) Balances with related parties are as follows

Transactions/ Balances	Holding Company	Subsidiary and Associate Companies	Enterprises in which Key Management Personnel and their Relatives have significant influence	Key Management Personnel and their Relatives	For the year ended			
					31.03.2024	31.03.2023	31.03.2024	31.03.2023
					31.03.2024	31.03.2023	31.03.2024	31.03.2023
Short Term Borrowings	788.97	469.72	-	-	-	-	-	-

### 25 Key Financial Ratios

Particulars	Unit of Measurement	March, 31 2024	March, 31 2024	% Variance
Current Ratio	In Multiple	0.79	0.92	14%
Debt-Equity Ratio*	In Multiple	NA	NA	NA
Debt Service Coverage Ratio*	In Multiple	NA	NA	NA
Return on Equity Ratio*	In %	NA	NA	NA
Inventory Turnover Ratio*	In Days	NA	NA	NA
Trade receivables Turnover Ratio*	In Days	NA	NA	NA
Trade payables Turnover Ratio*	In Days	NA	NA	NA
Net Capital Turnover Ratio*	In Days	NA	NA	NA
Net Profit Ratio*	In %	NA	NA	NA
Return on Capital Employed*	In %	NA	NA	NA
Return on Investment (Assets)*	In %	NA	NA	NA

#### Formula adopted for above Ratios:

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

Debt-Equity Ratio = Total Debt / Total Equity

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

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

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

Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)

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

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

Net Profit Ratio = Net Profit / Net Revenue

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

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

**\*As this company is not in operating phase yet. Hence, these Ratios are not applicable**

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

### 26 Additional regulatory and other information as required by the Schedule III to the Companies Act, 2013

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

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

#### (b) Borrowings from banks

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

#### (c) Relationship with Struck off Companies

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

#### (d) Compliance with number of layers of companies

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

#### (e) Scheme of arrangements

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

#### (f) Undisclosed Income

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

#### (g) Details of Crypto Currency or Virtual Currency

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

#### (h) Commitments and contingencies

i) The Company does not have any long term commitment or non-cancellable contractual commitments.

ii) The Company does not have any pending litigations which would impact its financial position.

#### (i) Operating Segments

The Operations of the company falls under a single Primary Segments in accordance with Ind As 108 "Operating Segments". Hence, no segment reporting is applicable.

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

(j) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(h) The company has not filed creation of charge with Registrar of Companies in respect of Bank Guarantee Limit and Overdraft Facility against pledge of Fixed Deposits in the the name of the company, as the company of the opinion that in case pledge of fixed deposits, filing of charge is not mandatory.

(k) The financial statements were approved for issue by the Board of Directors on **May 18, 2024**

See accompanying notes forming part of the financial statements

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As per our report of even date attached

**For Ashok Kumar Malhotra & Associates**

Chartered Accountants

Firm Registration No.014498C

**For and on behalf of the board**

**Ashok Kumar Malhotra**

Proprietor

Membership No.082258

Date : 20th May, 2024

Place : Noida

**Manish Dhanuka**

Director

DIN: 00238798

Date : 20th May, 2024

Place : Gurugram

**Mridul Dhanuka**

Director

DIN: 00199441

Date : 20th May, 2024

Place : Gurugram

**Sunil Gupta**

Chief Financial Officer

Date : 20th May, 2024

Place : Gurugram