Orchid Pharma

— A Dhanuka Group Company —

# ANNUAL REPORT 2023-24

# Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and our other statements-written and oral- that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as "anticipate", "estimate", "expects", "projects", "intends", "plans", "believes" and words of similar substance in connection with any decision of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainities and even inaccurate assumptions. Should known or unknown risks or uncertainities materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, where as a result of new information, future events or otherwise.

# VISION

Become a composite and meaning fully integrated pharmaceutical corporation completing in differentiated arenas where greater, more sustainable value can be created

# Corporate Information

## Board of Directors
**Mr. Ram Gopal Agarwal,** Chairman & Non-Executive Director
**Mr. Manish Dhanuka,** Managing Director
**Mr. Mridul Dhanuka,** Whole-Time Director
**Mr. Arjun Dhanuka,** Non-Executive Director
**Dr. Dharam Vir,** Independent Director
**Mr. Manoj Kumar Goyal,** Independent Director
**Ms. Shubha Singh,** Independent Director
**Ms. Tanu Singla,** Independent Director

## Registrar and Share Transfer Agents
**M/s. Abhipra Capital Limited**
Abhipra Complex A-387, Dilkhush Indl Area,
G.T. Karnal Road, Azadpur, Delhi-110033
Ph. : 91-11-42390783

## Banks / Financial Institutions
HDFC Bank Limited
Yes Bank Limited

## Registred Office
Plot Nos. 121-128, 128A-133, 138-151, 159-164
SIDCO Industrial Estate Alathur Chengalpattu
District-603110 Tamil Nadu, India

## Internal Auditor
**M/s. TRC Corporate Consulting Private Limited**
Chartered Accountants
Plot No. 76-E, Udyog Vihar, Phase- 4,
Gurugram, Haryana- 122015

## Listing
BSE Limited
National Stock Exchange of India Limited

## Chief Financial Officer
**Mr. Sunil Kumar Gupta**

## Company Secretary & Compliance Officer
**Mr. Kapil Dayya**

## Statutory Auditors
**M/s. Singhi & Co.**
Chartered Accountants
Unit-11-D, 11th Floor, Ega Trade Centre,
809, Poonamallee High Road, Kilpauk,
Chennai - 600 010, India

## Cost Auditors
**Mr. J Karthikeyan**
Cost Accountant
No.16, Muthalamman Kovil Street Selaiyur,
Chennai - 600 086 Tamil Nadu, India

## Secretarial Auditors
**M/s. S Dhanapal & Associates**
Practicing Company Secretaries
Suite No. 103, First Floor, Kaveri Complex,
No. 96/104, Nungambakkam High Road
Nungambakkam, Chennai – 600 034,
Tamil Nadu, India

# About the Board

## About the Board

An empowered Board comprising of diverse group of experienced leadership brings rich experience, strategic directions and takes the Company forward on path of sustainable progress. The Board is responsible for overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a pivotal role in the oversight of the Company's affairs.

## Board Composition and Leadership

Our Board of Directors combine Executive, Non- Executive and Independent Directors who contribute their deep expertise and insight. The Chairman, serving as Non- Executive Director, leads with forward- thinking vision and fairness. The Board members, who have served notable tenures, are key to guiding us towards achieving our objectives, promoting a culture of honesty and sustainable growth.

**Board of Directors**

- **Statutory Committees**
  - Audit Committee — Internal Auditors
  - Nomination & Remuneration Committee
  - Stakeholder's Relationship Committee
  - Corporate Social Responsibility Committee
  - Risk Management Committee
- **Non- Statutory Committees**
  - Banking, Finance & Operations Committee
  - Business Restructuring Committee*
  - Restructuring Committee*
  - Capital Restructuring Committee*

*For the purpose of Composition and other details of the above committees, please refer Annexure I- Corporate Governance Report forming part of this Annual Report.*

# Board of Directors

**Mr. Ram Gopal Agarwal**
**(Chairman & Non-Executive Director)**

Mr. Ram Gopal Agarwal is Founder Chairman of Dhanuka Group. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating and his passion to contribute to Indian Agriculture is commendable. Mr. Ram Gopal Agarwal, Group Chairman, has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit and Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI, National Safety Award – 3 times; Forbes Award – 200 Best under A Billion Companies in Asia Pacific etc.

**Mr. Manish Dhanuka**
**(Managing Director)**

Mr. Manish Dhanuka is the Director of Orchid Pharma Limited; he has the vision to rejuvenate Orchid Pharma Ltd. and take it on a fruitful path. His wide-ranging experience of handling operations, commercial, marketing and finance in the manufacturing industry provides for his analytical and decision-making skills facilitating the restoration of the company to its glorious past and to achieve even greater heights.

**Mr. Mridul Dhanuka**
**(Whole Time Director)**

Mr. Mridul Dhanuka is a Chemical Engineer with a Master's in Business Administration. He is associated with Dhanuka Group since 2005. His technical expertise has supported to enlarge the product base of Dhanuka. Under his exuberant personality and ambitious leadership the Company was able to expand its production facilities, setting up a state of art world class manufacturing facility. He was responsible in successfully realigning the entire supply chain vertical from procurement to sales thereby making a positive contribution in the profitability of the Company. He is a driving force behind the new business vertical of the Company.

**Mr. Arjun Dhanuka**
**(Non-Executive Director)**

Mr. Arjun Dhanuka started his career with Dhanuka Laboratories Limited in September 2010. From 2010-13 his role comprised of managing all the purchase decisions of the Company. He graduated from Delhi University and is a now Whole Time Director with the Company. He strives in Business Development and strategy building. Mr. Dhanuka is young and dynamic person with an experience of more than a decade in the Pharmaceuticals Sector.

# Board of Directors

**Dr. Dharam Vir**
**(Independent Director)**

Dr. Dharam Vir holds Ph.D. degree in Synthetic Organic Chemistry/Heterocyclic Chemistry and Medicinal Chemistry from Kurukshetra University, Kurukshetra (India). He was awarded fellowship by International Organization for Chemical sciences in Development (IOCD) / WHO to work on 'Special Synthesis program of Drugs for treatment of Tropical Diseases. He was also awarded post-doctoral fellowships from University of Illinois at Chicago, USA, and Georgia State University Atlanta USA.

**Mr. Manoj Kumar Goyal**
**(Independent Director)**

Mr. Manoj Goyal aged about 48 years is commerce graduate with Honours and passed chartered accountancy examination in 2001. He became a Fellow Member of the Institute of Chartered Accountants of India in 2006. CA Manoj Goyal has about 23 years of experience in the field of Taxation, Audit, Accounting, Finance, Banking and Law, He is Managing Partner of Goyal Malhotra and Associates, Chartered Accountants since the inception of the firm.

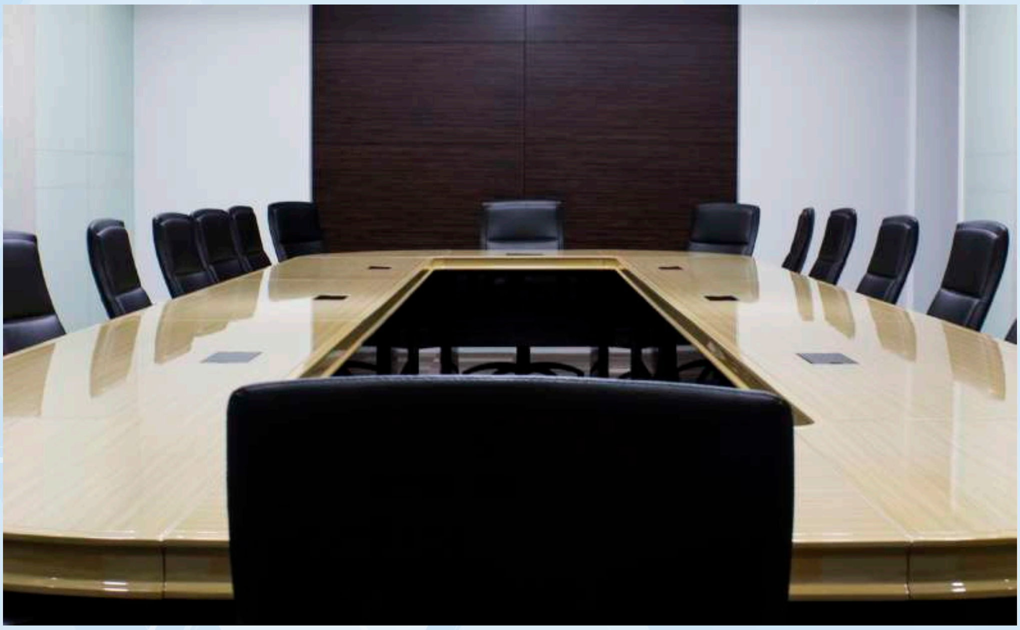
**Ms. Tanu Singla**
**(Independent Director)**

Ms. Tanu Singla is a qualified Company Secretary (CS). She has done L.L.B and is a diploma holder in Finance Management. She has an experience of more than ten years as a Company Secretary in Real Estate and Media Industry. She has expertise in Business Management, Finance, Accounts, Audit, real estate matters etc.

**Ms. Shubha Singh**
**(Independent Director)**

Ms. Shubha Singh is a Company Secretary since 2003. Additionally, she holds degrees of Chartered Financial Analyst (CFA) from ICFAI, Hyderabad since 2002, Post Graduate Diploma in Financial Analysis from ICFAI, Hyderabad since 2002, MBA (International Business) from IMT, Ghaziabad since 2013 and Law graduate from Faculty of Law. Ms. Shubha Singh has rich experience of 23 years in secretarial, finance and legal functions, primarily in Listed Companies with strong attribute in managing and advising various corporates in legal and secretarial matters with expertise in Corporate and general laws, litigation – civil and criminal, strategizing, Contracting, Agreements, Corporate Governance, re-structuring, revenue modelling and fund raising.

# Governance



**50%**
Board is Independent

**2**
Women Independent Directors

**100%**
Compliance to Code of Conduct, resulting in zero conflict of interest

**5**
Board Statutory Committees

**100%**
Independent Chairperson of Statutory Committees

# MANIFESTING EXCELLENCE

Excellence is an ingrained practice achieved through persistent strategic evolution. Our global vision and strategy, paired with an ardent dedication to science and technology and a steadfast emphasis on precise execution and delivery, have propelled our growth trajectory. Our integrated business model empowers us to exploit opportunities across the pharmaceutical value chain, from research to the global delivery of therapeutics. Our discerning selection of therapeutic areas, combined with state-of-the-art infrastructure, establishes us as the partner of choice for pharmaceutical development and manufacturing. Our specialized product portfolio endows us with a distinct competitive advantage in the markets we serve. Strategic alliances enhance our market reach, enabling us to deliver superior quality products while securing improved margins. Our overarching strategy is to cultivate a sustainable organizational ecosystem, perpetually motivating individuals to reach unprecedented heights, empowering them to unearth new opportunities, and relentlessly focusing on honoring our commitments.

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# Message from the Managing Director

## Dear Shareholders,

It gives me immense pleasure to present you this Report on the significant performance of your Company during the year.

As we move ahead we are taking the legacy of our journey to further strengthen the Company's position in the market and drive sustainable growth while creating value for stakeholders.

The global pharmaceutical industry witnessed a notable surge in spending in 2023, indicating a positive trajectory for medicine expenditure through 2028, fueled by strong growth in emerging markets.

On the highlights of Orchid's journey through the F.Y. 2024, I am delighted to share that the year under review reflects the story of growth & expansion, discovery of new potential and tapping the earlier untouched opportunities while forging the path to success and setting the stronger pillars of a more stable organization with strong Compound Annual Growth Rate (CAGR) of 22% in sales and 30% in EBITDA over the past three years. We achieved sales of ₹819 crores, a significant jump from ₹666 crores last year. Our full-year EBITDA stood at ₹142 crores, up from ₹103 crores in FY2023. In my previous address, emphasis was on to strengthen our core and transform into a future ready organization. In the same direction, your Company has made major developments during the reporting period.

The phase of revival has passed and the Company is performing better every passing quarter and year. During the fiscal, your Company had witnessed reduction of debts, positive trends in sales and operating profits with higher margin than previous year and maintained efficient plant operations. We have laid the foundation for continued growth with regular expansion in capacities and efforts in Business Development. The investment in R&D in last few years is also likely to bear fruit in the coming years with new DMFs and Dossiers across the globe. The major projects like 7ACA and Cefiderocol are likely to propel us with a quantum leap once they get started.

I am extremely proud of the fact that, Orchid is the only Indian Company, ever to have invented a product which has received a New Drug Approval (NDA) from USFDA. Further, the European Medicines Agency have also granted approval to Orchid's newly invented - Enmetazobactam. Due to the new invention of your Company, it stands out at global stage of Pharmaceutical Market.

It is a significant development in addressing the global need for affordable and efficacious drugs to combat Anti- Microbial Resistance (AMR). It is also a matter of great pride that as "the Pharmacy of the World", India has finally developed a new drug for the first time The recent approval of this product by the CDSCO, India has also paved the way for this product to be launched in India. As the issue of AntiMicrobial Resestance is very serious in India, this therapy will be a very important solution in the hands of the clinicians across the country. The company is making all efforts to start manufacturing and commercial sales of the product at the earliest and make it available to the widest population. This product will also lay the foundation for the successful launch of the AMS Division, and the entry of Orchid Pharma in the Critical Sales Hospital market. We, the Orchidian's are always at forefront to achieve and accomplish the targets with Governance in letter and spirit. I would like to thank our Board of Directors for their relentless pursuit of excellence throughout the last financial year.

We are grateful to the Central and State Governments and the Central DCGI and State FDAs for their support to the Company's business plans. Your Board places on record their appreciation of the support provided by the customers, suppliers, services providers, medical fraternity and business partners.

We are thankful to the shareholders for their support and encouragement. The Directors and the Management acknowledges and are thankful to the employees for their immense commitment and contributions for the continual growth of the businesses and operations.

**Manish Dhanuka**
Managing Director

OrchidPharma
— A Dhanuka Group Company —

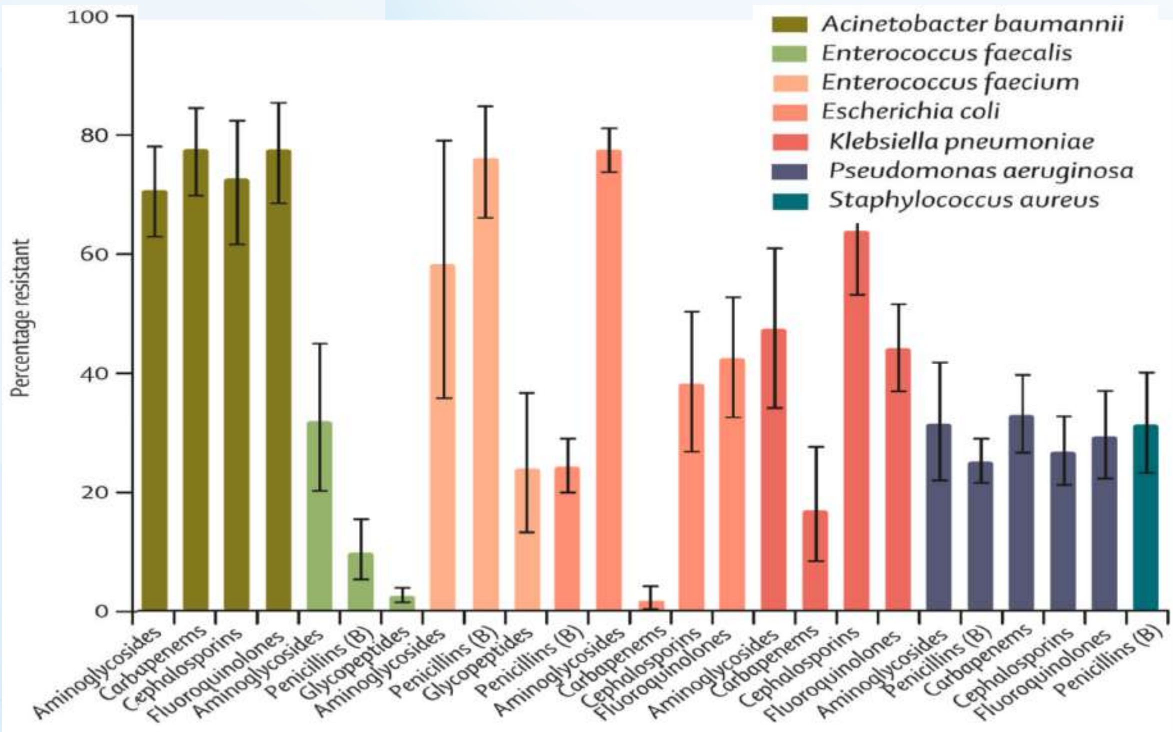
# PRIDE OF INDIA – ENMETAZOBACTAM

It is a proud moment for India, that Enmetazobactam, a Novel Beta Lactamase Inhibitor, the first product invented in India by Orchid Pharma Ltd, has been cleared by European Medicine Agency and USFDA approval is also expected within February 2024.

The discovery of antibiotics was the inflection point in human existence since it contributed enormously to the extension of the human lifespan. Before the discovery of Penicillin, there was no mass cure for infections, and life expectancy around 1940 was 40 years. With Antibiotics, now infections are not just cured, but advanced procedures and treatments like surgeries are possible. This has taken the average lifespan to more than 70 years in the world.

Lately however, this healing is tempered due to AMR (Anti-Microbial Resistance) which is a significant cause of more than 50 Lakhs deaths in 2019 worldwide as stated by leading bodies like WHO.

AMR is a major topic of discussion in all health forums and is being called the silent pandemic by WHO. An illustration below shows how several species of bacteria have become resistant to the most common Antibiotics, some even to the extent of 80%. What this means is 8 out of 10 patients to whom Antibiotics are given, the drug is not able to cure them. By any means, this is a staggering number and a waste of public resources.




This alarming threat and global spread of AMR has not been matched by the development of novel Anti-Microbials. The matter is so critical that WHO maintains a Global Priority List of Multi Drug Resistant (MDR) and even Carbapenems (the most effective Antibiotics today) resistant strains, for which there is almost no simple cure today.

Safety profile and broad-spectrum efficacy have made Cephalosporins the most widely used antibiotics today. Their extensive use has resulted in the emergence of resistant bacteria, a worldwide problem, with high prevalence in developing and developed countries.

To treat these bacterial infections and maintain patient safety, Orchid Pharma identified a novel approach to lower the resistance of the bacteria, so that the older Antibiotics, which are safe and have a well-known efficacy, but had stopped working due to AMR can start working again. It invented, Enmetazobactam, which in combination with Cefepime, has proven to be significantly superior to the current standard of care. The need of the hour was a novel product, which can be the first line of treatment for infections thereby reducing the total cost of healthcare which is extremely important for India.

**ORCHID's INVENTION**

Enmetazobactam, a Novel Beta Lactamase Inhibitor, the first product completely invented in India, which in combination with Cefepime (a safe and effective 3rd Generation Cephalosporin Anti-Biotic) has proven to be significantly superior to Piperacillin + Tazobactam (the current go-to drug for doctors), and is as potent as Meropenem.

It has been approved for complicated urinary tract infections (including pyelonephritis); hospital-acquired pneumonia (HAP), including ventilator associated pneumonia (VAP) and patients with bacteraemia associated with above.

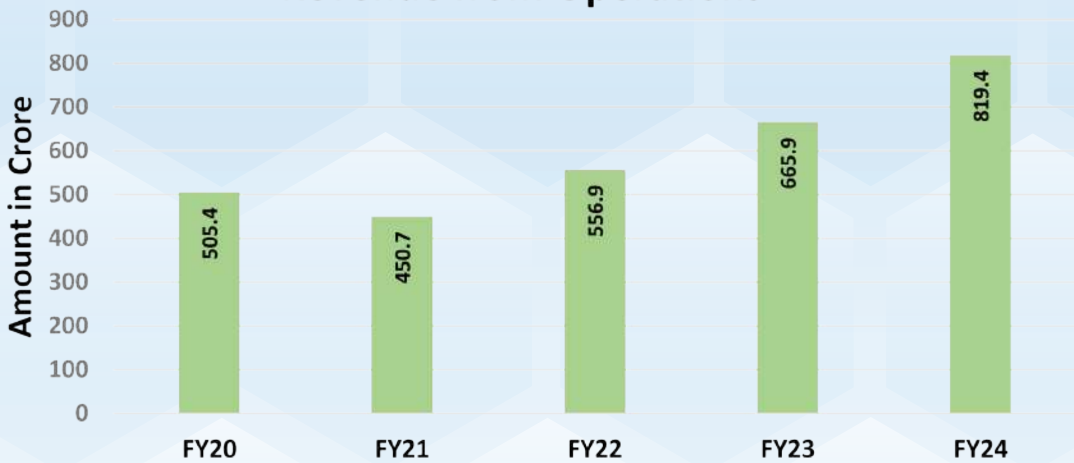
The increasing proliferation of MDR bacteria and increasing AMR to most of the available drugs are leading to significantly increased usage of expensive Carbapenems which are currently the only alternative. The need of the hour is a cost-effective, Carbapenem sparing (saving the Carbapenems for future) therapy which can be used for infections.

Because of the demonstrated superiority of Cefepime + Enmetazobactam, combined with the inherent safety of the established molecule Cefepime, plus the benefits of lower cost, better efficacy and being Carbapenem sparing are enough reasons to quickly make this product the standard of care worldwide, especially in India.

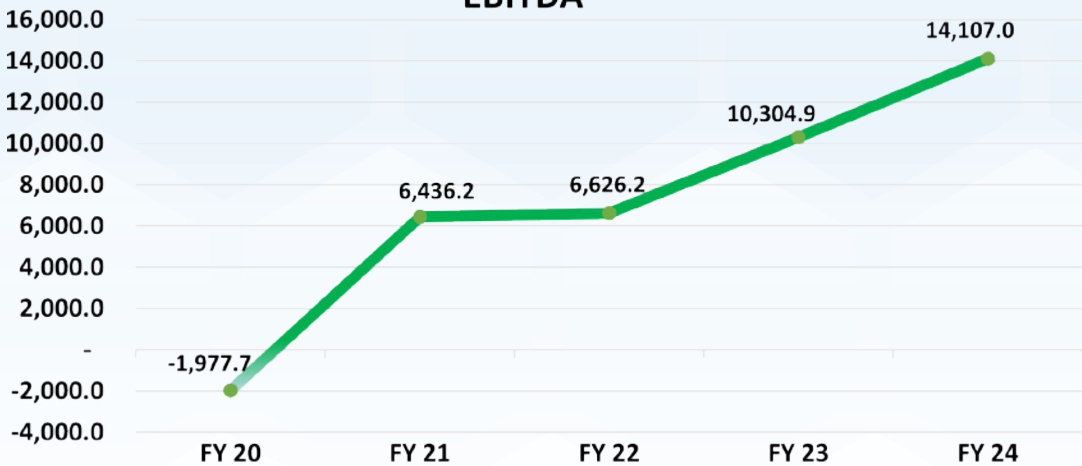
The fact that Enmetazobactam is not just Made in India but the first drug to be Invented in India, makes the case for it that much stronger.


| ₹ 819.3 Cr. | ₹ 141.0 Cr. | ₹ 94.7 Cr. | ₹ 19.6 |
|---|---|---|---|
| Revenue | EBITDA | PAT | EPS |
| ↑23% | ↑ 37% | ↑ 72% | ↑ 48% |

## Revenue from Operations*



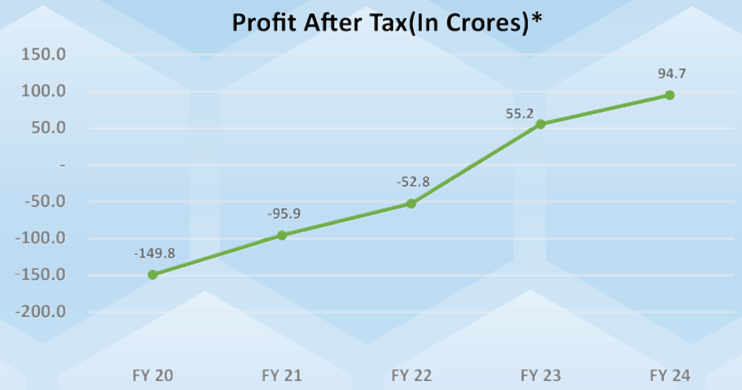

## EBITDA*

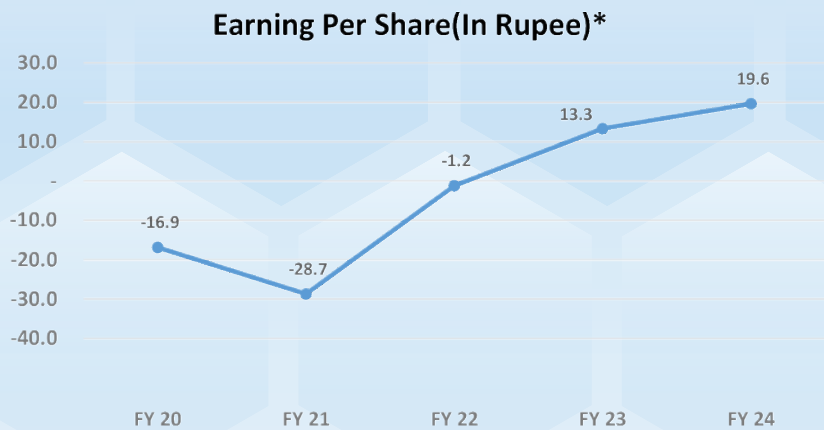



*Figures in Standalone Basis

# FINANCIAL HIGHLIGHTS

| Particulars (Amount in Crore) | STANDALONE | | | | |
|---|---|---|---|---|---|
| | FY20 | FY21 | FY22 | FY23 | FY24 |
| **Revenue from operations** | 505.4 | 450.7 | 556.9 | 665.9 | 819.4 |
| **Total income** | 529.9 | 457.2 | 565.9 | 685.3 | 849.8 |
| **EBITDA** | -19.8 | 64.4 | 66.3 | 103.0 | 141.1 |
| **PBIT** | -145.7 | -44.5 | -20.8 | 87.5 | 107.9 |
| **Profit Before Tax** | -149.8 | -95.9 | -52.8 | 55.2 | 91.5 |
| **Profit After Tax** | -149.8 | -95.9 | -52.8 | 55.2 | 94.7 |
| **Profit / Loss from Discontinuing Operations** | - | -21.3 | 47.9 | -1.1 | - |
| **Net fixed assets** | 1038.8 | 670.4 | 583.7 | 573.1 | 615.8 |
| **Net working capital** | 443.6 | 441.4 | 241.5 | 167.2 | 572.5 |
| **Non current investments** | 0.3 | 0.4 | 49.0 | 50.1 | 69.4 |
| **Shareholders networth** | 1056.2 | 681.3 | 677.9 | 731.9 | 1218.3 |
| **Loan funds** | 501.5 | 452.7 | 267.9 | 331.3 | 134.3 |
| **Stock information** | | | | | |
| **Number of shares** | 8,89,64,327 | 4,08,16,400 | 4,08,16,400 | 4,08,16,400 | 5,07,19,105 |
| **Earnings per share-Basic (in Rs.)** | -16.87 | -28.7 | -1.18 | 13.28 | 19.59 |
| **Earnings per share-Diluted (in Rs.)** | -16.87 | -28.7 | -1.18 | 13.28 | 19.59 |

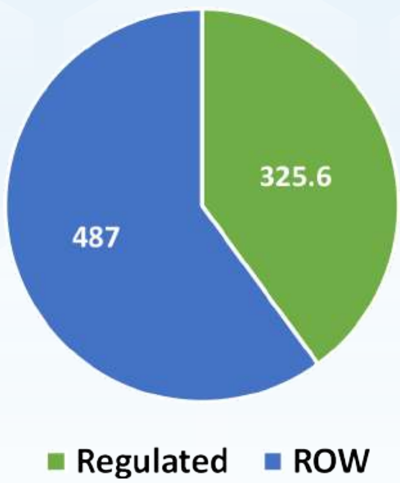


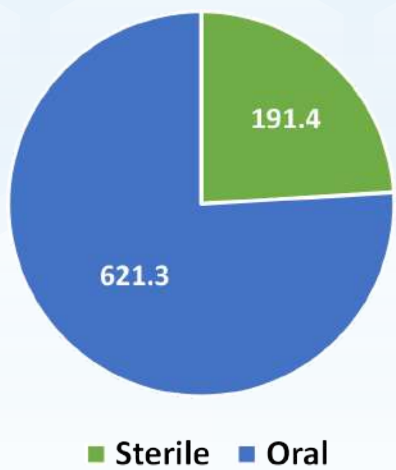




*Figures in Standalone Basis

# API SALES ANALYSIS (FY24)

## (Amount in Crores)



# Board's Report

Dear Members,

Your Directors have pleasure in presenting the 31st (Thirty First) 'Board Report', along with the Audited Financial Statements of the Company for the Financial Year ("FY") ended on March 31, 2024.

**Financial summary/Performance/State of Company's affairs**

The Highlights of the standalone and consolidated financial Statements for the FY 2023-24 as per the IND-AS are given below:

(₹ in Crores)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY ended March 2024 | FY ended March 2023 | FY ended March 2024 | FY ended March 2023 |
| Sales & Operating Income | 819.37 | 665.90 | 819.37 | 665.90 |
| Other Income | 30.39 | 19.43 | 30.86 | 19.43 |
| Total Expenditure (excluding depreciation and Finance cost) | 708.69 | 582.28 | 708.69 | 582.28 |
| Gross Profit/(Loss) | 141.07 | 103.05 | 141.53 | 103.05 |
| Interest & Finance Charges | 16.33 | 32.22 | 16.35 | 32.22 |
| Gross Profit after Interest but before Depreciation and Taxation | 124.74 | 70.83 | 125.18 | 70.83 |
| Depreciation | 33.22 | 54.79 | 33.23 | 54.79 |
| Profit/(Loss)before Tax, and extraordinary items | 91.52 | 16.04 | 91.95 | 16.04 |
| Exceptional items – [Income /(Expenditure)] | - | 39.21 | - | 39.21 |
| Profit/(Loss) Before Tax | 91.52 | 55.25 | 91.95 | 55.25 |
| Current & Deferred Tax | (3.23) | - | (3.12) | - |
| Profit/(Loss) after Tax - Continuing Operations | 94.75 | 55.25 | 95.07 | 55.25 |
| Profit/ Loss from discontinued operations after tax | - | (1.06) | (2.90) | (8.93) |
| Profit/Loss for the year | 94.75 | 54.19 | 92.17 | 46.32 |
| Re-measurement of post -employment benefit obligations | (0.45) | (0.23) | (0.45) | (0.23) |
| Gain/(Loss) on fair valuation of the Investments | 0.11 | 0.05 | 0.11 | 0.05 |
| Comprehensive Profit/Loss for the Year | 94.41 | 54.01 | 91.83 | 46.14 |

**Business segments**

Your Company operates in one business segment viz., Cephalosporin pharmaceuticals, in which the Company drives its major sales through Active Pharmaceutical Ingredients (APIs). The Company is an established Export Oriented Unit ("EOU") with portfolio of antibiotics, both Human and Veterinary products. Antibiotics are life-saving drugs used to fight infections. Different classes of antibiotics include Beta-lactam, Macrolide, Fluoroquinolone, Imidazole etc. Cephalosporins are beta-lactam antimicrobials used to manage various infections from gram-positive and gram-negative bacteria. The five generations of cephalosporins are useful against skin infections, urinary tract infections, lower respiratory tract infections, sexually transmitted diseases, surgical prophylaxis, and other infections like meningitis.

We are pioneer production of Quality Cephalosporins especially the sterile products, along with few veterinary products and are engaged in manufacturing and export of all five generations of cephalosporin products. Amongst antibiotics, the company has one of the widest ranges of cephalosporin APIs, spanning all 5 generations catering the need of various international markets and is the one out of the only three USFDA approved facilities in the world. The Company has a strong global presence with a wide customer base.

Your Company is also engaged in manufacturing and export of general category finished dosage formulations and anti-infective finished dosage formulations through its formulation facilities. Orchid is the only Indian Pharmaceutical Company, to ever have invented a New Chemical Entity (NCE, also colloquially called New Drug), which is approved in US and Europe. This product is called Enmetazobactam and it shall be launched in India shortly. Global launch is also expected this year itself on which your company is entitled for royalty income.

**Standalone Financials**

During the FY 2023-24, your Company achieved an operating revenue of ₹819.37 crores against ₹665.90 crores in 2022-23. The Gross Profit before interest, depreciation and taxes during the year stood at ₹141.07 crores as against ₹103.05 crores in 2022-23. After providing for interest expense, depreciation, exceptional item, the Profit before tax of the Company for the FY was ₹94.75 Crores against ₹55.25 crores in 2022-23. The Comprehensive Profit stood at ₹94.41 crores during 2023-24 against ₹54.01 crores in 2022-23.

**Consolidated Financials**

During the FY 2023-24, your Company achieved an operating revenue of ₹819.37 crores as against ₹665.90 crores in 2022-23. The Gross Profit before interest, depreciation and taxes during the year stood at ₹141.53 crores against ₹103.05 crores in 2022-23. After providing for interest expense, depreciation, exceptional item, the Profit before tax of the Company for the FY was ₹91.95 Crores against ₹55.25 crores in 2022-23. The Comprehensive Profit stood at ₹91.83 crores during 2023-24 against ₹46.14 crores in 2022-23.

**Earnings Per Share (EPS)**

The Standalone Basic EPS for continuing operations of the Company stood at ₹19.59 for the FY ended March 31, 2024 as against ₹13.54 for the FY ended March 31, 2023 and Diluted stood at ₹19.59 as against ₹13.54 in the previous year.

**Capex and Liquidity**

During the year, the Company has spent ₹55.15 Crores on Plant & Equipment, etc., largely towards balancing facilities and essential sustenance capital items. As on March 31, 2024, the Company has nil long-term secured financial facility.

**Material events during the year under review**

**I. Scheme of Merger/Amalgamation**:

During the year under review, the Scheme of Arrangement between M/s. Orchid Pharma Limited ("Transferee" or Amalgamated Company") and M/s. Dhanuka Laboratories Limited ("Transferor" or "Amalgamating Company") and their respective shareholders and creditors ('Scheme') in compliance with Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Companies Act" or "the Act") as reviewed and recommended by the Audit Committee and Committee of Independent Directors was approved by the Board.

The implementation of the aforesaid Scheme, which is subject to the approval of Shareholders and other Statutory authorities would inter-alia enable both the transferor and transferee Companies to realize benefit of greater synergies between their businesses, achieve wider product offerings and geographical footprints, consolidate operations thereby leveraging the capability of the Amalgamated company, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their Shareholders and the Stakeholders with centralization of inventory and greater economies of scale. The Arrangement will ensure creation of a combined entity under the Amalgamated Company, as the holding entity of the cluster, thereby resulting in on-time supplies, efficiency of management and maximizing value for the shareholders.

The Company has filed the Scheme of Arrangement between M/s. Orchid Pharma Limited ("Transferee" or Amalgamated Company") and M/s. Dhanuka Laboratories Limited ("Transferor" or "Amalgamating Company") and their respective shareholders and creditors ('Scheme') with the Stock Exchanges where securities of the Company are listed viz. National Stock Exchange of India Limited and BSE Limited and for their In-Principal approval in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") read with the applicable Master Circulars framed thereunder and is awaited.

**II. Raising of Funds through Qualified Institutional Placement**:

The Board of Directors of the Company at its meeting held on December 01, 2022 approved raising of funds for an amount not exceeding ₹500 Crores through Qualified Institutional Placement route and the same was approved by the Shareholders of the Company via Special Resolution at the Extra-Ordinary General meeting held on December 29, 2022.

The Company submitted Preliminary Placement Documents and Placement Document to National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on June 22, 2023 and June 27, 2023 respectively. Upon receipt of In-Principle approval from the Stock Exchanges, the Board of Directors at its meeting held on June 27, 2023 approved the allotment of

9,902,705 Equity Shares of face value ₹10 each to eligible qualified institutional buyers at the issue price of ₹403.93 per Equity Share (including a premium of ₹393.93 per Equity Share), aggregating to ₹400.00 Crores, pursuant to the Issue in accordance with the SEBI ICDR Regulations.

Consequently, the Promoter Shareholding in the Company stands decreased from 89.96% to 72.40% whereas the Public shareholding increased from 10.04% to 27.60% w.e.f. June 27, 2023, thereby meeting the Minimum Public Shareholding requirements under SEBI Listing Regulations.

**Future Outlook**

With the acquisition of Company by Dhanuka Group, four years ago and implementation of the approved Resolution Plan, your Company is moving in a grwoth trajectory. The continuous efforts of Management and entire staff is playing pivotal role towards rebuilding the organization and taking it to greater heights. In terms of financials, the objective of your Company is to continuously pursue growth and improve EBITDA margins with increased capacity and more capabilities of outreach to newer markets.

With the new Capacities on Sterile and Oral products coming on line, and backward integration, your company is now poised to be a global leader in the Cephalosporin space.

**Management Discussion and Analysis report**

A report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 read with Schedule V of SEBI Listing Regulations is presented as a separate Report in this Report.

**Corporate Governance Report and Additional Shareholder's information**

The Company firmly believes in adhering to Corporate Governance codes to ensure protection of its investor's interest as well as healthy and sustainable growth of the Company. It upholds and adheres to highest standards of Corporate Governance and the requirements set out by the Securities and Exchange Board of India.

A detailed report on Corporate Governance including the Certificate issued by Company Secretary in Practice, for compliance with conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI LODR Regulations is given in **Annexure I** of this Report including therein a certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Board / Ministry of Corporate Affairs or any such statutory authority.

**Board and Committees**

**Meetings of the Board of Directors**

During the year under review, ten (10) meetings of the Board of Directors were held, details of the same are furnished in the Corporate Governance Report forming part of this Report. The Board Meetings were held in accordance with provisions of the Companies Act, 2013 & the relevant rules made there under and SEBI Listing Regulations. A calendar of meetings is prepared and circulated in advance to the Directors. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI Listing Regulations.

**Committees of the Board**

The Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities in accordance with the requirements of the SEBI Listing Regulations, the Act and other applicable provisions.

Your Board has constituted following statutory Committees and they function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

Details of composition, terms of reference and number of meetings held for respective Committees along with the changes thereof are given in the Corporate Governance Report, which forms integral part of this Annual Report.

Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board. The Chairman/ Secretary of the respective Committees report to the Board on the deliberations and decisions taken by the Committees.

**Adequacy of Internal Financial Control System**

The Internal Financial Controls of the company encompasses the policies, standard operating procedure manuals, approval/authorization matrix, circulars/ guidelines, and risk & control matrices adopted by the company for ensuring the orderly and efficient conduct of its business & support functions, adherence to these policies & procedures, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information during the process of financial reporting.

The Statutory Auditors of the Company has shown their satisfaction on the Internal Financial Controls established by the Company over Financial Reporting System in compliance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Regulatory Filings and Approvals**

In the generic formulations domain, your company currently holds 06 ANDAs and in the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 48. The break-up of the total filings is 30 in the Cephalosporin Segment and 18 in NPNC segment. In European market space the cumulative filings of COS (Certificate of Suitability) count remained at 15 (15 approved) which pertains to the cephalosporin segment. In the Japan market, the cumulative filings of JDMFs count remained at 8 all in Cephalosporin segment. 01 National filing (ASMF) and approved in Italy, EU. 01 CADIFA application filed with ANVISA, Brazil (LATAM).

**Intellectual Property Rights**

The total number of active patent portfolio maintained by Orchid in various national and international patent office's so far is 24 including Process & New Chemical Entities (NCE). Out of 24 patents, your Company have been granted and hold 22 patents, 2 patent applications are published as of March 31, 2024.

Orchid had filed a patent application in the last FY 2023-24.

Your Company has a total of 11 trademark registrations in India.

**Dividend & Reserves**

To strengthen the financial position of the Company, the Board decided to plough back the profits and do not recommend any dividend for the FY ended March 31, 2024, with an aim to augment its reserves. Also, no amount has been transferred to the reserves.

**Dividend Distribution Policy**

In accordance with Regulation 43A of SEBI Listing Regulations, as amended, top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy and disclose the same on the website of the Company and a web link of the policy be disclosed in the Annual Report.

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is available on the website of the Company i.e. http://www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf

**Business Responsibility and Sustainability Reporting (BRSR)**

The Company primarily focuses on adoption of practices for the sustainable growth with the hand in hand operation to the responsible behavior towards the environment and society at large. The Company has provided Business Responsibility and Sustainability Report, which indicates the Company's performance against the principles of 'National Guidelines on Responsible Business Conduct' and would enable the Members to have an insight into environmental, social and governance initiatives of the Company.

Further, in accordance with the provisions of Regulation 34 of the SEBI Listing Regulations, which mandates the inclusion of Business Responsibility and Sustainability Report as part of the Annual Report for the top 1000 listed entities based on market capitalization, the BRSR Report forms part of this Annual Report as **Annexure II** and the same is available on Company's website at http://www.orchidpharma.com/invr_Annualreports.html.

**Employees Stock Option Plan**

Company do not have any active employee stock option plan or employee stock option scheme as on March 31, 2024.

**SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES**

Your Company does not have any Material subsidiary, however as on the date of this Annual Report the Company has six Subsidiaries, including two step down Subsidiaries namely;

**A. Subsidiaries**

**I. Bexel Pharmaceuticals Inc., USA**

Bexel was incorporated basically to conduct Research & Development activities in new drug discovery segment.

**ii. Orchid Pharmaceuticals Inc., USA**

Orchid Pharmaceuticals, Inc., is a wholly owned Delaware based subsidiary of your Company and also the holding company in the United States, under which all the operational business subsidiaries have been structured.

The Company currently has two operating Subsidiaries, namely Orgenus Pharma Inc., USA and Orchid Pharma Inc./ Karalex Pharma LLC, USA.

**iii. Diakron Pharmaceuticals Inc., USA**

Diakron Pharmaceuticals Inc., USA was engaged in business of cardiovascular drug development.

#### iv. Orchid Bio-Pharma Limited

Orchid Bio-Pharma Limited was incorporated as an Indian Wholly owned Subsidiary ("WoS") of your Company on March 24, 2022. The main object of the aforesaid WoS is manufacturing of biotech chemicals, intermediates and biotechnology products. The WoS is yet to commence its business operations.

In the matter, IFCI Limited vide its letter bearing reference IFCI/CASD/DoP/PLI220715016 approved the application under the PLI Scheme to Orchid Bio-Pharma Limited for manufacture of the product "7 ACA" with a committed capacity of 1000 Metric Tonnes Per Annum and for a total incentive up to ₹600 Crores during the tenure of the scheme i.e., FY 2023-24 till FY 2028-29. The Company is in process of setting up a facility in Jammu for manufacturing 7ACA under the PLI Scheme. 7ACA is a critical raw material for manufacturing cephalosporins and in-house production of 7ACA under the PLI scheme will enable us to do backward integration, achieve a captive source of supply and better gross margins.

During the year under review, the Company has acquired 3.85 acres of Industrial Land worth ₹3.39 Crores for manufacturing of 7ACA under the PLI Scheme.

The Company made an additional Investment of ₹14,99,99,000/- (Rupees Fourteen Crores Ninety Nine Lakhs and Ninety Nine Thousand Only) in the Equity shares of the WoS to meet its financial needs for the setting up of projects, inter-alia, for which the Company has raised the Funds through QIP during the year. The Board of Directors of Orchid Bio-Pharma at its meeting held on April 26, 2023 approved the allotment of 1,49,99,000 (One Crore forty nine lakhs ninety nine thousand) equity shares of ₹10/- each on Right Issue basis to the Company.

The Company holds complete shareholding of WoS including the voting rights and 6 shares through Nominee shareholders with 1 each, forming 0.00% of the total capital, as on date of this Report.

**Policy for determining material subsidiaries**

Your Company has framed a Policy for determining material subsidiaries in compliance with Regulation 16(1)(c) of the Listing Regulations in order to determine the material subsidiaries of the Company and the same is available at the website of the Company and the web link for the same is
http://www.orchidpharma.com/downloads/Policy%20for%20Material%20Subsidiaries_v-2.0.pdf.

### B. Associate Company

Your Company had initially subscribed to 26% of paid up equity share capital of M/s. OrBion Pharmaceuticals Private Limited ("OrBion") by virtue of which the Company has become an Associate of your Company.

The total shares subscribed by your Company in OrBion as on March 31, 2024 is 4,55,00,000 equity shares of ₹10/- each constituting 26% of paid up equity share capital of M/s OrBion Pharmaceuticals Private Limited.

The Consolidated Financial Statement ("CFS") of the Company were prepared inter-alia including the financials of OrBion and the percentage share of loss of your company in the associates has increased from (₹2.15) crores of 2022-23 to (₹2.90) in the year of 2023-24.

### C. Joint Ventures

As on March 31, 2024, the Company does not have any Joint Venture.

**Highlights of the performance of subsidiaries and their contribution to the overall performance of the Company during the period under report**

During the period under review, the subsidiaries including step down subsidiaries have NIL Revenue from operation and therefore have no contribution in consolidated sales of the Company.

The Board of Directors of the Company at its meeting held on May 22, 2021, had approved the closure/divestment of all subsidiaries including step down subsidiaries due to inoperative/lack of revenue and/or high expenses.

Orchid Pharmaceuticals SA (Proprietary) Limited, a Wholly owned subsidiary of the Company stands deregistered vide Certificate dated January 31, 2024 issued by "Companies and Intellectual Property Commission", Pretoria South Africa. Additionally, Orchid Europe Limited, United Kingdom has been dissolved on September 27, 2022.

Further Steps are being taken to close/divest remaining subsidiaries (including step down subsidiaries) of the Company.

**Consolidated Financial Statements**

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed form AOC-1 is given in **Annexure-III** & forms part of this Annual Report. This statement also provides the details of the performance and financial position of each subsidiary in accordance with Section 136 of the Companies Act, 2013.

**Directors and Key Managerial Personnel**

As on 31st March 2024, the Board of the Company has total Eight Directors comprising of two directors in the category of Key Managerial Personal as Managing Director and Whole-Time Director, two Non-Executive Director and four Independent Directors (including one Woman Independent Director).

Following changes occurred in the directorships / key managerial positions (KMP) of the Company during the FY 2023-24:

| Sr. No. | Name of Director /key managerial positions (KMP) | Particulars of Change (Appointment / Resignation/Others) | Effective Date of change |
|---|---|---|---|
| 1. | Mr. Arjun Dhanuka | Appointed as Non - Executive Director w.e.f. October 20, 2023 | October 20, 2023 |
| 2. | Ms. Marina Peter | Resigned as Company Secretary and Compliance Officer w.e.f. Dece mber 12, 2023 due to personal reasons | December 12, 2023 |
| 3. | Mr. Kapil Dayya | Basis the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Kapil Dayya as Company Secretary and Compliance Officer w.e.f December 16, 2023 . | December 16, 2023 |

Further, following changes occurred in the directorships / key managerial positions (KMP) of the Company after closure of the FY 2023-24:

| Sr. No. | Name of Director/key managerial positions (KMP) | Particular s of Change (Appointment / Resignation/Others) | Effective Date of change |
|---|---|---|---|
| 1. | Mr. Mudit Tandon | Resigned from the position of Independent Director of the Company w.e.f. April 12, 2024 | April 12, 2024 |
| 2. | Ms. Shubha Singh | Appointed as Woman Independent Director of the Company w.e.f. May 23, 2024 | May 23, 2024 |

In terms of Section 203 of the Act, following are the KMPs of the Company as on March 31, 2024:

| | | |
|---|---|---|
| 1. | Mr. Manish Dhanuka | Managing Director |
| 2. | Mr. Mridul Dhanuka | Whole Time Director |
| 3. | Mr. Sunil Kumar Gupta | Chief Financial Officer |
| 4. | Mr. Kapil Dayya | Company Secretary |

**Declaration of Independence by the Independent Director and Board opnion**

All Independent Directors (IDs) have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI Listing Regulations. All the IDs of the Company have registered their names with the data bank of IDs maintained by the Indian Institute of Corporate Affairs (IICA). Further, in terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties. Further, in the opinion of the Board, Independent Directors qualify the criteria of Independent Director as mentioned in the Act and SEBI Listing Regulations and are independent of the management.

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and SEBI Listing Regulations diligently.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

**Director(s) retiring by rotation at the ensuing Annual General Meeting and whether or not they offer themselves for re-appointment**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ram Gopal Agarwal (DIN: 00627386), retires at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment under the category of Director retire by rotation. The Board considering his vast experience, knowledge, expertise, performance, enriched guidance role, recommends the re-appointment of Mr. Ram Gopal Agarwal.

A resolution seeking shareholders' approval for his re-appointment along with brief profile and other required details forms part of the Notice to the ensuing Annual General Meeting.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

**Annual Return**

In accordance with Section 92(3) and section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, every company shall place a copy of the annual return on the website of the Company, if any, and the web-link of such annual return shall be disclosed in the Board's report. A copy of the Annual return of the Company is available on the website of the Company on http://www.orchidpharma.com/downloads/annualreports/MGT%20-7/MGT-7%202022-23.pdf under the "Investors" section.

**Nomination & Remuneration Policy (NRC Policy)**

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The objective of this policy is to ensure adequate and proper selection and appointment of Directors, Senior Management Personnel and Key Managerial Personnel. NRC Policy determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the Nomination and Remuneration Committee ("NRC") takes into account apart from others, Board diversity, person's eligibility, qualification, skills, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper criteria. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. In case of re-appointment of any Board member, NRC basis evaluation scores of the concerned Board member pursuant to performance evaluation, recommends its decision to the Board to extend or continue the term of appointment of the Board members. Additionally, NRC recommends to the board, remuneration, in whatever form, payable to senior management. Further, it is affirmed that the remuneration to the Directors, Key Managerial Personnel and Senior Management Personnel is being fixed based on the criteria and parameters mentioned in the Nomination and Remuneration Policy of the Company.

The Policy is available on the website of the Company and the web-link for the same is
http://www.orchidpharma.com/downloads/Nomination%20and%20Remuneration%20Policy.pdf.

**Appointment and Remuneration of Non- Executive Directors**

Non-Executive Directors are entitled to receive sitting fees for attending the meetings of the Board or Committees thereof, as approved by the Board and within the overall limits prescribed under the Companies Act, 2013 and rules thereunder.

The Criteria for determining independence of a director are based on the academic accomplishments, qualifications, expertise and experience in the respective fields, diversity of the Board, global exposure, professional network, technical expertise, functional domain expertise, independence and innovation.

**Related Party Transaction(s) and Policy**

The Related Party Transactions entered into by the Company during the year under review were on arm's length basis and in the ordinary course of business. Further, all the transactions entered with Related Party/s during the FY were in accordance with the Related Party Transactions Policy of the Company and in pursuance of approval granted by the Audit Committee.

Further, pursuant to Regulation 23(3) of the Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee granted omnibus approval to the transactions likely to be entered into by the Company with related parties during the year which are of repetitive nature. Members may refer to Note No. 50 to the Financial Statement which sets out transactions with Related Parties disclosures pursuant to IND AS-24.

Your Company has framed a Related Party Transaction Policy in compliance with Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in order to ensure proper reporting and approval of transactions with related parties. All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board The Policy is available on the website of the Company and the web-link for the

the same is
http://www.orchidpharma.com/downloads/RPT.pdf

Furthermore, in accordance with the provisions of Section 134(3) of the Act read with Companies (Accounts) Rules, 2014, the details of 'material' contracts or arrangements or transactions and in form AOC-2 is given in **Annexure IV** to this Annual Report.

**Corporate Social Responsibility (CSR)**

As per Audited Annual Financial Statements of the Company for the FY ended March 31, 2024, the Company meets the thresholds as prescribed under Section 135 (1) of the Companies Act, 2013. The Company has a Corporate Social Responsibility Committee ("CSR Committee") comprising three (3) members, as detailed in the Corporate Governance Report forming part of this Annual Report. The Company has adequately framed the CSR Policy to adhere with the CSR obligations of the Company and the Policy is hosted on website of the Company at
http://www.orchidpharma.com/downloads/Orchid%20CSR%20Policy-approved.pdf.

However, in accordance with the statutory requirement of the Act, the Company had Nil obligation towards CSR Expenditures during the F.Y. 2023-24, being the negative profit, computed as the average net profit of previous three FYs commencing from 2020-21 to 2022-23 and therefore, no CSR expenditure has been done under Section 135 of the Companies Act during the FY 2023-24.

In terms of the provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities inter-alia including detailed information on CSR Policy, its salient features, CSR obligations of the Company, details pertaining to spent and unspent amount, is annexed as **Annexure- V** to this Annual Report.

**Material changes and commitment, if any, affecting financial position of the Company from the end of FY and till the date of this Report**

Except otherwise stated herein in this Report, there are no material changes and commitment affecting financial position of the Company from the closure of FY ended on March 31, 2024 and till the date of this Annual Report.

**Conservation of Energy**

Your Company has always been striving in the field of energy conservation. The management has been highly conscious of the importance of conservation of energy at all operational levels and efforts are made in this direction on a continuous basis. With the available limited resources, certain measures to conserve energy and to reduce associated costs were taken in a small way during the FY under review. The particulars in respect to conservation of energy as required under Section 134(3)(m) of the Companies Act, 2013, are given in **Annexure VI** to this report.

**Technology Absorption**

The particulars in respect of R&D/Technology absorption as required under Section 134(3)(m) of the Companies Act, 2013, are given in **Annexure VII** to this report.

**Foreign Exchange Earnings and Outgo**

The particulars in respect of Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 are given in **Annexure VIII** to this report.

**Risk Management**

Every business has variety of associated risks with its structure and for the long-term growth its on-going process to identify such risks and mitigate them to the best extent. The Company has properly analysed the risks and the details and the process of Risk Management as were existing and implemented in the Company are provided as part of Management Discussion and Analysis, which forms part of this Annual Report.

The Board of Directors of the Company has constituted a Risk Management Committee, responsible to manage uncertainties through identification, analysis, assessment, implementing, monitoring and periodically review of the effectiveness of the risk management plan and make appropriate changes as and when necessary, to reduce the impact of risks to the business. The Risk Management Committee's role is aligned to the requirements of the Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable regulatory requirements. The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Annual Report.

Your Company has framed a Risk Management Policy to ensure that the company has proper and continuous risk identification and management process in place to manage the risks associated with its activities. The Policy is available on the website of the Company and the web-link for the same is
http://www.orchidpharma.com/downloads/RMC%20Policy.pdf

**Annual Evaluation of Board, its Committees and Individual Directors**

In terms of provisions of the Companies Act, 2013 and Regulation 17(10) read with Regulation 25(4) of SEBI Listing Regulations, the Board is required to conduct an annual performance evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the working of its Committees through questionnaires designed with qualitative parameters and feedback based on ratings.

In view of the above, the Board carried out an annual performance evaluation of its own performance, the Directors individually, the Chairman of the Board and its Committees as per the evaluation framework adopted by the Board on the recommendation of the Nomination and Remuneration Committee. The performance evaluation has been done by the entire Board of Directors, excluding the Director being evaluated. Various evaluation techniques are used to assess the performance of the Directors. The Directors have participated in this evaluation process. The Independent Directors in their separate meeting have also evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole. Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as their participation and contribution, objective judgment etc. The Chairman was also evaluated based on the key aspects of his role.

The summary to the annual performance evaluation has been included in the Corporate Governance Report forming integral part of this Annual Report containing the skills/expertise/competencies of the Individual Directors of the Company.

**Change in the Nature of Business**

There is no change in the nature of business carried on by your company during the FY ended March 31, 2024.

**Change of Registered Office Address of the Company**

During the FY ended March 31, 2024, Board of Directors has approved the shifting of Registered office the Company within the State in its meeting held on July 12, 2023 from 'Orchid Towers 313-Vallur Kottam High Road, Nungambakkam Chennai-600034 to Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu District-603110, Tamil Nadu and same had been approved by the Members of the Company in the Annual General Meeting held on August 09, 2023.

**Details regarding deposits, covered under Chapter V of the Act**

During the FY 2023-24, your company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits), Rules 2014 and as such no amount of principal or interest was outstanding as of the balance sheet date.

**Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company**

There have been no significant nor material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

**Vigil Mechanism/Whistle Blower Policy**

Your Company has established a vigil mechanism under Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulation which enables the Directors & the Employees report genuine concerns. The Company encourages its employees who have concerns about unethical practices, fraud and mismanagement, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization, to come forward and express their concerns without fear of punishment or unfair treatment.

The mechanism allows direct access to Chairperson of the Audit Committee and also Managing Director in exceptional cases and provides safeguard against the victimization of whistle blowers. The Company has Whistle Blower Policy for the same and is available on the website of the Company, which can be accessed from the web link
http://www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf

During the year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

The details on the same are covered in the Corporate Governance Report, which forms part of this Annual Report.

**Code of Conduct on Prevention of Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulation 2015, as amended, the Company has adopted a Code of Prevention of Insider Trading with a view to regulate trading in securities by the Directors and the Designated Persons of the Company. The Code requires pre-clearance for dealing in the Company's shares prior to breach of trading limits mentioned therein and prohibits the purchase or sale of Company shares by the Directors and the Designated Persons while in possession of unpublished price sensitive information in relation to the Company or during the period when the Trading Window is closed. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2024.

Copy of the Code is also available on the website of the Company at
http://www.orchidpharma.com/downloads/codeofconduct/Code%20of%20Conduct%20under%20Insider%20Trading%20Regulations_v-2.1.pdf

**Disclosure under the sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of The sexual

Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. An Internal Complaints Committee (ICC) is in place as per the requirements of the said Act to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. No case has been reported during the year under review.

The details pertaining to captioned header are disclosed in the Corporate Governance Report which forms part of this Annual Report.

**Environment**

Environment management is the prime concern of Orchid Pharma Limited. Orchid has employed a state-of-the-art technology, zero liquid discharge (ZLD) treatment plant and world class treatment facilities for its liquid and gaseous pollutants generated from the production processes. The zero discharge of liquid effluent comprises of Membrane Bio Reactor, Reverse Osmosis, Solvent Stripping Column, Thermal Evaporation & Agitated thin film dryers (ATFDs) to treat the entire effluent and recycle back into the system.

**Waste Water Treatment**

Low TDS effluent is collected, equalized and neutralized into neutral pH and treated aerobically by Membrane Bio Reactor process comprising of aeropac equipped with jet aeration system made up of Glass Fiber Reinforced Plastic / Original Hydrodynamic Aerators & Ultrafiltration System loaded with ceramic membrane. The permeate from ultrafiltration passes through reverse osmosis and disc RO plant to separate inorganic salts. The permeate of reverse osmosis and Disc RO plant are utilized in the cooling towers as make up water. The reject from the reverse osmosis plant is further treated in disc RO plant. The reject from the Disc RO plant is mixed with high total dissolved solids effluent for further treatment. The excess bio mass from the aerobic system is centrifuged and sent to bio composting process to convert into useful manure.

High TDS effluent is collected and neutralized into neutral PH. This effluent is sent to Mechanical Evaporators (Single stage and three stage) to concentrate the salts to the level of 35%. Heat energy is recovered during the process of evaporating the effluent and the recovered heat energy is utilized to reduce the energy consumption. The concentrate from the evaporators are sent to Agitated Thin Film Dryers (ATFD) where it gets dried and the dried salt is collected at the bottom of ATFD. The collected salt is bagged, stored in protected storage sheds and disposed as per hazardous waste authorization.

**Waste Air Treatment**

The major emissions from the unit is from the boiler, power plant, production process and powder processing area.

**Process Scrubbers**

Orchid installed process scrubbers in all production blocks to treat the waste air generated from process reactors.

**Vent Gas Condensation**

Orchid installed vent gas condensation system for fugitive emissions from the storage tanks of solvents and secondary condensers of solvent recovery area to control the fugitive emissions.

**Reverse Jet Venturi Filter**

Orchid installed reverse jet venturi filter to control the dust emission during the powder processing of bulk drugs.

**Adequate Stack Height**

Adequate stack heights are provided for Steam Boiler and Power Plant for better dispersion.

**Electro Static Precipitator (ESP)**

ESP is provided at the boiler emission to control the particulate matter.

**Ambient Air Quality and Stack Emission Monitoring**

Ambient air quality and stack emission monitoring is being carried out round the clock to check the emission level in the atmosphere.

**Hazardous waste Management**

Hazardous wastes are collected and stored in protected storage shed and disposed as per hazardous waste authorization.

**Bio composting**

Bio sludge generated from the biological process of effluent treatment are converted into useful compost.

**World Environment Day Celebration**

World Environment Day was celebrated on 5th June, 2023 by planting trees with in our factory premises to create awareness on environment among employees.

**Safety**

Orchid is highly committed to Safety, Health and Environment aspects. There is no compromise on critical needs of safety. This has been possible because of committed Line Management, dedicated Safety Professionals and relentless Leadership direction. Central Safety Committee (CSC), the apex committee of the organization have ensured that risks have been contained to keep us free from any major incident. Orchid strongly believes that human behaviour plays key role in safety management. To reinforce that Safety observation & Audit (SOA) – Lead indicator, become key focus area always in our Central Safety Committee meetings. CSC continues to meet every month review critical concerns on Safety and also provides directions to minimize the risks at all levels.

Orchid welcomes and treats the contractors as partners of our business. We look forward for safe execution of the assignment and for long-term association with every contractor. Orchid committed to protect the health and safety of employees, contractors/contract workers, visitors and community and it forms an important part of our SHE policy.
With regard to the compliance of the relevant statutory requirements, we practice the safety instructions for contractors and their workmen in order to maintain the desired standard of safety at work.

Process Safety is of paramount importance for any Chemical and Pharmaceutical organization, therefore, we have built a strong Process safety culture at Orchid over the years. The company also realized the need of effective safety communication in culture building activity / exercise. This is backed up by periodical safety talks, Safety Posters and Interactive discussions. Safety-related initiatives, Awareness campaigns were conducted to promote a "zero incidents" mindset among employees and contract employees. These efforts resulted in behavioural change, making FY 2023-24 a zero-reportable-incidents year. By applying risk assessment like Hazop study, Pre startup safety review, Job safety Analysis, technologies at work on chemicals and process, we ensured that highest workplace safety standards were implemented across the manufacturing value chain.

Orchid also believes continuous learning is the critical element in Safety Management. Hence, various training programs have been conducted in the year 2023-24 to reinforce the safe behaviour and also to enhance the necessary skills to perform the job safely. We organized training for our employees and contract employees covering Chemical safety-SDS, Work Permit System, Fire prevention & mitigation, Emergency preparedness, First aid and Process Safety Management. As a part of our commitment to enhance employee and contract employees awareness on EHS-related matters, several awareness campaigns and safety exhibitions were held around National Safety Week, Fire Services Week, World Health Day. The company exhibits safety modules at state level exhibition conducted by Tamil Nadu Government. Also conducting safety awareness program to the nearby community and educational sectors as a part of Corporate Social Responsibility.

Emergency response planning are critical component of our EHS management system. We have a well-trained emergency response team (ERT) and advanced fire protection systems to respond quickly to emergencies. During the year, several EHS training workshops were held to augment the ERT's efficiency to ensure swift response during any emergency.

**Particulars of Employees and Remuneration**

The Information as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure IX** to this Annual Report.

**Remuneration paid to Executive Directors**

During the year under review, remuneration received by Mr. Manish Dhanuka, Managing Director and Mr. Mridul Dhanuka, Whole time Director of your Company for the FY ended March 31, 2024 and the details for the same is given in the Corporate Governance Report forming part of this Annual Report.

Further, in accordance with the provisions of Section 197 of the Act and Regulation 17 of SEBI Listing Regulations, the Company had sought the approval of members via. Special Resolution in the Annual General Meeting of the Company held on August 09, 2023, for remuneration paid to the Managing Director and Whole Time Director during the FY 2023-24.

Additionally, subject to the approval of the Members, the Company has proposed the remuneration to be paid to the Managing Director and Whole Time Director, as stated in the Explanatory Statement annexed to the Notice of the ensuing Annual General Meeting and forming part of this Annual Report.

**Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013**

Particulars of Loans, Guarantees or investments as required under Section 186 of the Companies Act, 2013 are provided in the Note no. 6 & 15 to Standalone financial statements for the FY 2023-24, which forms part of this Annual Report.

**Listing on Stock Exchanges**

The equity shares of your Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The annual listing fees for the year 2024-25 have been paid to both the Stock Exchanges. Also, the Company has duly paid the Depository Fees to National Securities and Depositories Limited ("NSDL") and Central Depository Services Limited ("CDSL").

**Transfer of Shares to the Investor Education and Protection Fund (IEPF)**

In accordance with the applicable provisions of the Companies Act, 2013, read with the Companies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all the Unpaid or Unclaimed dividends including the Shares on which dividend has not claimed are required to be transferred by the Company to the IEPF Authority after the completion of seven years. During the period under review the Company was not required and had not transferred any amount or shares to the IEPF Authority and the details pertaining to the same are disclosed in the Corporate Governance Report annexed to this Annual Report.

**Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the Financial Year**

There were no application filed or pending under the Insolvency and Bankruptcy Code, 2016 against the company during the year.

**The details of difference between amount of the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

Not Applicable to the company.

**Auditors**

**Statutory Auditors**

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. Singhi & Co., Chartered Accountants,(Firm Registration No. 004915S), were appointed as Company's Statutory Auditors pursuant to a resolution passed by the Shareholders at the AGM held on July 15, 2022 for a period of five years, from FY Year 2022-23 to 2026-27. The financial statements (Standalone and Consolidated) for FY 2023-24 have been audited by M/s. Singhi & Co., Chartered Accountants.

**Statutory Auditors' Report**

The Auditors have audited the standalone and consolidated financial statements of the Company for the FY ended March 31, 2024 and have issued an un-modified Auditors Report on Standalone Financial Statement. However, Auditor Report on Consolidated Financial Statement contains modified opinion. The detailed report of the Statutory Auditor forms part of this Integrated Report and Annual Accounts 2023-24. The information w.r.t the modified opinion of the Statutory Auditors on the Consolidated Financial Statement and Management response thereon is included in the Statement of Impact of Audit Qualification annexed to the Corporate Governance Report, which forms part of this Annual Report.

**Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed M/s. S.Dhanapal & Associates LLP (Practicing Company Secretaries) to conduct the Secretarial audit of your Company for the FY 2023-24. The Secretarial Audit Report in form MR-3 is forming part of this Annual Report as **Annexure X**.

Further, in terms of Regulation 24A of the SEBI Listing Regulations, the Material Unlisted Subsidiary of the Company, if any, shall also submit Secretarial Audit Report to the Holding Company. However, there is no material unlisted subsidiary incorporated in India.

Further, basis the recommendation of the Audit Committee, the Board has re-appointed M/s. S Dhanapal & Associates LLP (Practicing Company Secretaries), as Secretarial Auditors of the Company for the FY 2024-25.

**Secretarial Auditor qualifications**

The Qualifications stated in the Secretarial Audit Report issued by the Secretarial Auditors of the Company for the F.Y 2023-24 are:

- Non maintenance of Minimum Public Shareholding as prescribed under Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (LODR) Regulations, 2015 - the Company received email from National Stock Exchange of India Limited and BSE Limited (collectively referred as "Stock Exchanges") on May 25, 2023 imposing fine and seeking clarification from the Company for non-compliance. The Company paid the fine and responded to the Stock Exchanges by 31st May, 2023 and further the company made qualified institutions placement of equity shares on 27th June, 2023 and the listing approval for same was received on 30th June, 2023; thereafter the requirement of Minimum Public Shareholding has been complied with;
- Limited review by statutory auditor of audit of companies whose accounts are consolidated with the company as required under Regulation 33(8) of SEBI (LODR) Regulations, 2015 has not been carried as stated in the report of the Statutory Auditor on the consolidated financial statements of the Company.

**Board Comments:**
Qualification for Non maintenance of Minimum Public Shareholding is self-explanatory. And the qualification regarding the audit of companies whose accounts are consolidated with the company has been adequately addressed in the Statement on Impact of Audit Qualifications forming part of this Annual Report.

**Details of Fraud Reportable by Auditor**

During the year under review, neither the statutory auditors nor the secretarial auditors of the Company has disclosed any instance of fraud committed against the Company by its officers or employees required to be disclosed in terms of Section 143(12) of the Companies Act, 2013.

**Annual Secretarial Compliance Report**

In terms of Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for F.Y. 23-24 has been filed with Stock Exchanges and the same is available on the website of the Company at
http://www.orchidpharma.com/downloads/Annual%20Secretarial%20Compliance%20Reports/Stx_ltr_ASCR_2024_signed.pdf

**Compliance with the provisions of Secretarial Standards Issued by Institute of Company Secretaries of India**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and during the year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**Cost Audit**

The Central Government has prescribed that an audit of the cost accounts maintained by the Company in respect of Bulk Drugs and Formulations be conducted under Section 148 of the Companies Act, 2013. Consequently, your Company had appointed Shri J Karthikeyan as Cost Auditor for the FY 2024- 25, for the audit of the cost accounts maintained by the Company in respect of both Bulk Drugs and Formulations. The cost audit report has carried out the audit for the FY 2023-24, which will be filed with the Central Government within the stipulated timeline.

Further, pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Company maintains the Cost Audit records in respect of its pharmaceutical business. The Board, at its meeting held on May 23, 2024, on the recommendation of the Audit Committee has appointed Shri J Karthikeyan, Cost Accountant, Chennai (Membership No. 29934 & Firm Reg. No.102695) to conduct the audit of the cost accounting records of the Company for FY 2024-25 at a remuneration of ₹2,50,000/- (Rupees Two Lakhs and Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses. A certificate from the Cost Auditors, certifying his independence and arm's length relationship has been received by the Company.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be approved by the members of the Company in a General Meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to Shri J Karthikeyan, Cost Accountants for the F.Y. 2024-25 is included in the notice convening the ensuing AGM, which forms the integral part of this Annual Report.

**Other disclosures**

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees
- There was no revision in the financial statements

**Director's Responsibility Statement**

Pursuant to the provisions contained in Section 134(3)(c) of the Companies Act, 2013, the Board to the best of its knowledge and belief and according to the information and explanations obtained by it confirms that:

*(a)* That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

*(b)* The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the FY and of the profit and loss of the company for that period;

*( c)* That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

*(d)* The Directors have prepared the Annual accounts for the FY ended March 31, 2024 on a going concern basis;

*(e)* The Directors have laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

*(f)* The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

**Acknowledgements**

The Board is grateful and thankful to all the Banks, Financial Institutions both in public sector and in private sector who have fully supported your Company's initiatives. The Board is grateful to the Central and State Government and the Central Drugs Standard Control Organization and State Food Safety and Drugs Administration (State FDAs) for their continued support to the Company's business plans. The Board places on record their appreciation of the support provided by the Employees, customers, suppliers, service providers, medical fraternity and business partners.

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

| | |
|---|---|
| Sd/- | Sd/- |
| **Manish Dhanuka** | **Mridul Dhanuka** |
| Managing Director | Whole Time Director |
| DIN:00238798 | DIN:00199441 |

Place: Gurugram
Date: July 19, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**ECONOMIC OVERVIEW**

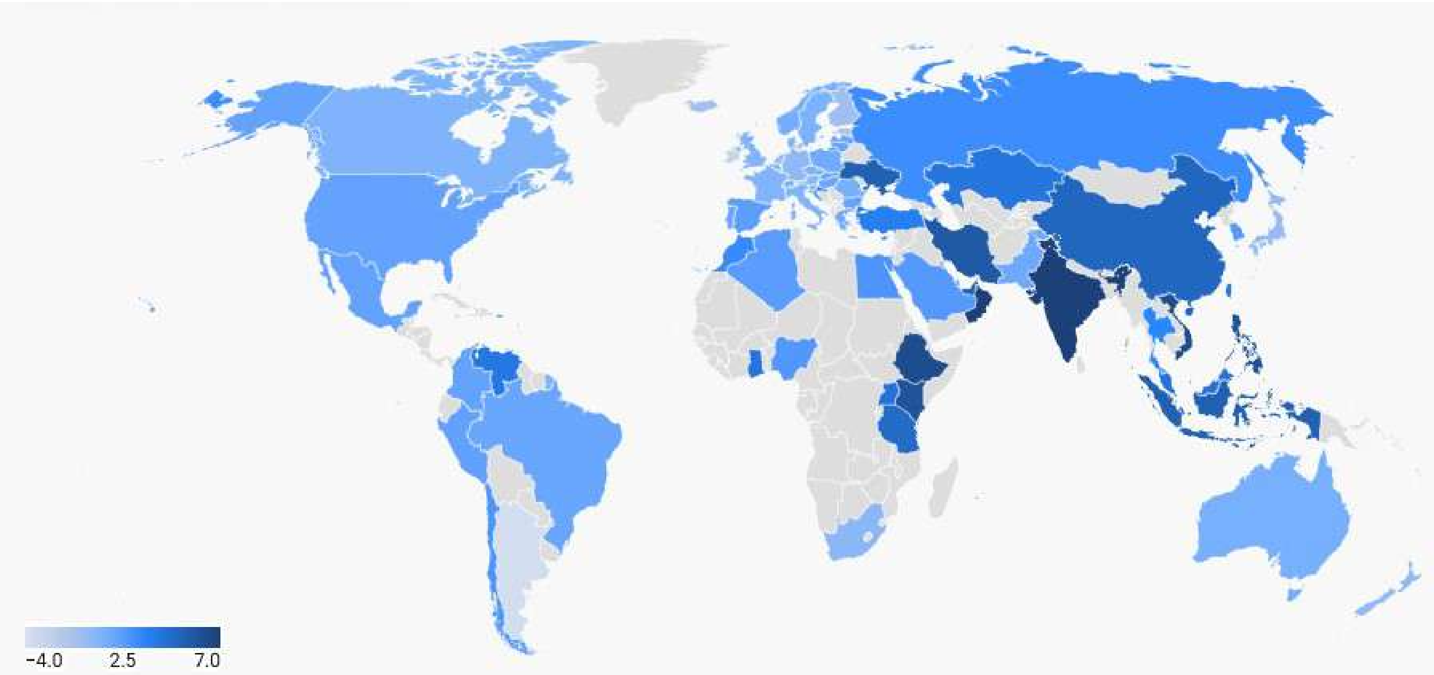
**GLOBAL**

Global growth is projected at 3.1% in 2024 and 3.2% in 2025, as per World Economic Outlook (WEO) on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. Despite facing challenges such as geopolitical tensions, supply chain disruptions, and an energy crisis, the economy has maintained its strength and stability. The economic activity remained robust, and the economy adapted well to changing financial conditions, leading to consistent job growth, strong consumer demand due to rising incomes, increased government spending, and higher labour force participation.

Risks to the global outlook are now broadly balanced. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labor force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity and on the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress.

While some emerging markets have outperformed expectations following robust domestic demand and improved trade dynamics, many developing economies continue to grapple with the dual pressures of high inflation and increased external debt. This financial strain limits their ability to invest in essential sectors like healthcare and infrastructure, critical for sustainable growth.

**Real GDP growth, 2024 (% change)**




*Source: https://www.conference-board.org/topics/global-economic-outlook*

**INDIAN**

In FY 2023-24, the Indian economy has gained significant momentum, driven by positive macroeconomic indicators, improved labour market conditions, heightened urban demand, and increased government focus on capital expenditure. The National Statistics Organisation (NSO) in India has projected a robust growth of 7.6% for the Indian economy in FY 2023-24, exceeding the 7.0% growth witnessed in the previous FY 2022-23. Moreover, the Interim Budget for FY 2024-25 announced by the government indicates a move towards a self-reliant India, diminishing dependence on imports and fostering growth in domestic industries. By maintaining the status

While key metropolitan centres continue to hold strategic importance, a new wave of economic hubs is rising to prominence.

Currently among the top five economies globally, in the next three years, the country is expected to become the third-largest economy in the world, with a GDP of $5 trillion. Moreover, according to projections by the International Monetary Fund (IMF), India's contribution to global growth will be around 18% by FY 2027-28; backed largely by robust domestic demand.

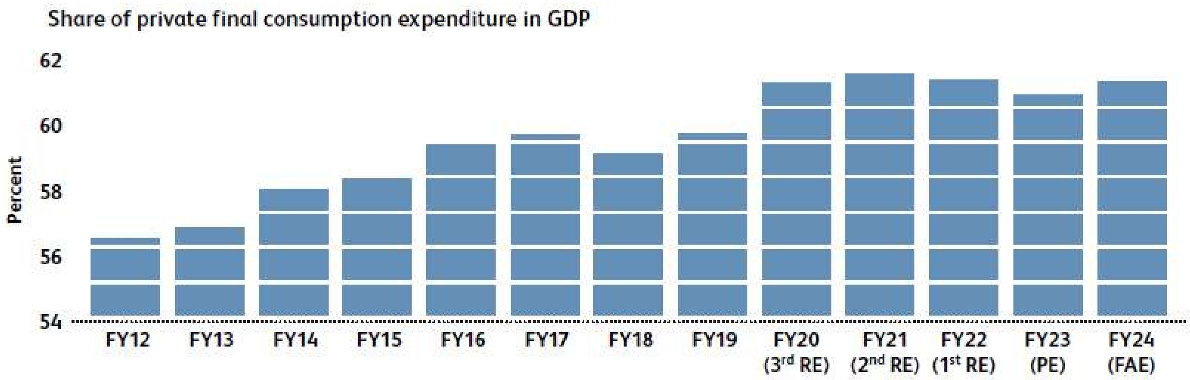
**Indian GDP Growth (%)**


*Source: NSO second advanced estimates dated 29th February 2024, RBI (Reserve Bank of India) MPC (Monetary Policy Committee) report dated 5th April 2024*

With expectations of a stable GDP growth rate in the coming years, India is poised for robust growth. With inflation projected to stabilise and align with targets by 2025, the economy stands to benefit from more relaxed monetary policies, which will likely enhance investment capacities across various industries.

The government's continued emphasis on infrastructure development is anticipated to stimulate gross fixed capital formation, providing a catalyst for broader economic activities that underpin the pharmaceutical sector as well. Moreover, enhanced rural demand, spurred by initiatives like the PM Garib Kalyan Anna Yojana, is expected to boost overall consumption, including healthcare services and products.

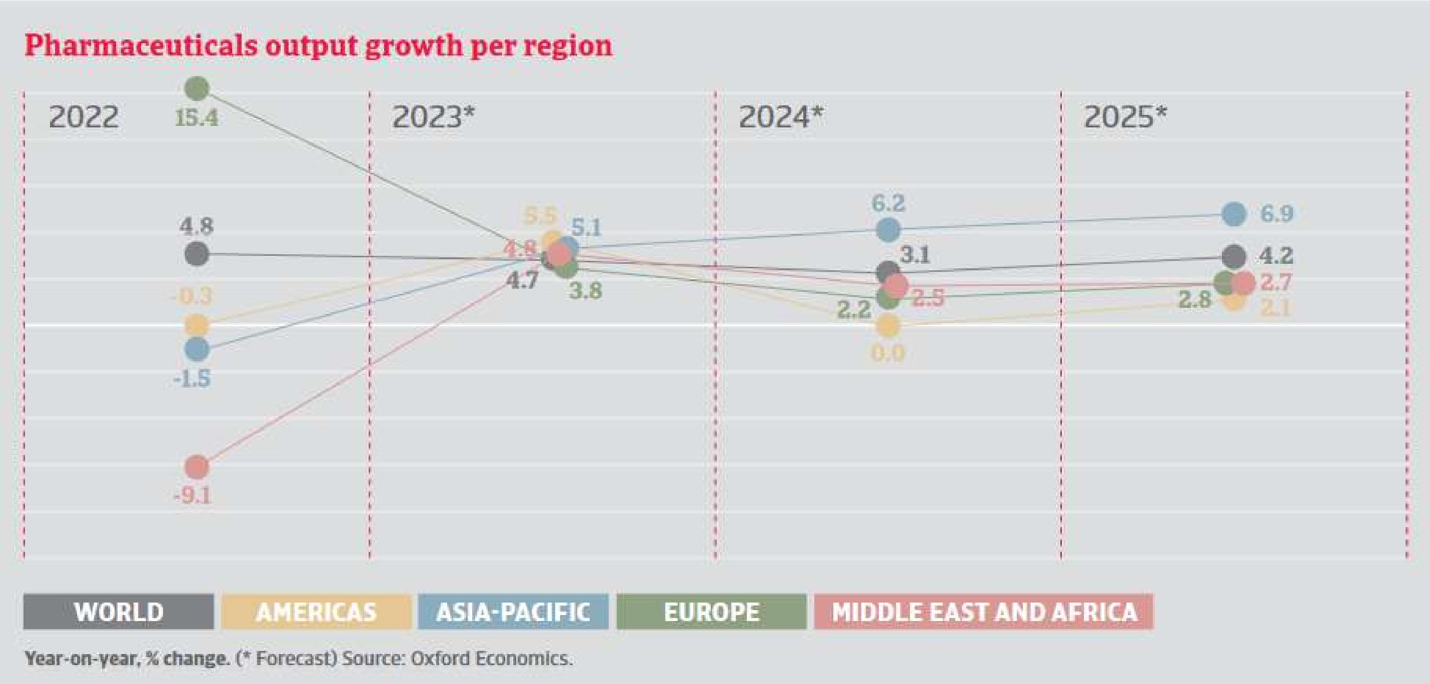
With ongoing reforms targeting vital areas such as workforce skilling, healthcare, energy security, MSMEs, and gender balance, India is advancing towards becoming a $7 trillion economy by 2030.




*Source: NSO, MoSPI*
*Note: RE stands for Revised Estimates, PE for Provisional Estimates and FAE for First Advance Estimates*

**INDUSTRY OVERVIEW**

**GLOBAL**




Global health systems have demonstrated remarkable resilience in the face of the pandemic, global inflation, and regional conflicts and have moved forward to adopt novel therapies and increase usage. Overall, the global use and spending on medicines is exceeding pre-pandemic growth rates and is expected to continue significantly above those trends through 2028. The pharmaceutical industry has and will continue to have a significant impact on the global economy in terms of contribution to GDP.

The Pharmaceuticals market has been growing steadily in recent years, which is mainly driven by innovative drugs and an increasing demand for drugs and treatments worldwide. The largest driver of medicine spending growth through the next five years is still expected to be the availability and use in developed markets of innovative therapeutics and offset by losses of exclusivity and the lower costs of generics and biosimilars. Traditionally, innovative medicine growth has occurred most in the years immediately following launch, whereas recent years and the forecast outlook show growth driven by older products. This mix of spending growth between volume-driven growth, and mix-driven changes in the cost of therapy are showing most geographies shifting to more expensive therapies, reflecting the broader availability and patient access to medicines with higher clinical value.

Historical and projected use of medicines by region, 2018–2028, Defined Daily Doses (DDD) in billions


*Source: IQVIA Institute, Dec 2023*

Global medicine spending growth is expected to accelerate over the next five years, driven mostly by increased growth contribution from existing branded products even as most growth segments are expected to increase compared to the last five years. The impact from brands losing exclusivity (LOE) is expected to more than double to $192Bn, although a large part of that increase is from biologics facing biosimilars where the impacts have had more uncertainty.


Sources: IQVIA Market Prognosis, Sep. 2023; IQVIA Institute, Dec 2023

With the start of the year 2024, we are hopeful about the fact that the pharma industry stands at the threshold of significant changes driven by advancements in technology, regulatory shifts, and evolving market dynamics. They are new trends creating a sense of anticipation, dominance of small molecule drugs, a growing usage and adoption of a growing biologics, the outsourcing of drug development and manufacturing, an increasing interest in personalized medicine with the advent of AI, and a grave emphasis on emerging markets. Pharma companies are also facing the task of addressing challenges related to regulatory compliance, rising expenses in research and development, effective management of supply chains, acquisition of intellectual property, coping with the substantial costs linked to medications, and much more.

**INDIAN**

The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. India has highest number of pharmaceutical manufacturing facilities that comply with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.


*Source: Pharmaceuticals Industry Report, May 2024, Indian Brand Equity Foundation*

Market size of India pharmaceuticals industry is expected to reach US$ 65 billion by 2024, ~US$ 130 billion by 2030 and US$ 450 billion market by 2047. According to the government data, the Indian pharmaceutical industry is worth approximately US$ 50 billion with over US$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA).

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases, and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, should all contribute to boost the Indian pharmaceutical industry. Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are; 1) The government earmarked Rs. 1,000 crore (US$ 120 million) for the promotion of bulk drug parks for FY25, a significant increase from the previous year; 2) The total outlay for the development of the pharmaceutical industry for FY25 was increased to Rs. 1,300 crore (US$ 156.5 million) while the budget for the promotion of medical device parks was raised to Rs. 150 crore (US$ 18 million) for FY25.; 3) The allocation for assistance to medical device clusters for common facilities (AMD-CF) was pegged at Rs. 40 crore (US$ 4.1 million) for FY25.; 4) The outlay for the Jan Aushadhi scheme, the initiative to provide affordable generic medicines in the country, was hiked to Rs. 284.5 crore (US$ 34 million) for FY25, up from Rs. 110 crore (US$ 13 million) in the revised estimate for FY24.

**OPPOURTUNITIES AND THREATS**

The future holds both opportunity and increased complexity for the pharmaceutical industry.

**Growth Drivers**

1. **Strong Demand:** Rising income, greater health awareness, lifestyle diseases and increasing access to insurance will contribute to growth. The healthcare sector, as of 2024, is one of India's largest employers, employing a total of 7.5 million people. A recent research report predicts that the integration of Artificial Intelligence (AI) within the Indian healthcare sector will create nearly 3 million new jobs by 2028.

2. **Attractive Opportunities:** India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23. Two vaccines Bharat Biotech's Covaxin and Oxford- AstraZeneca's Covishield manufactured by the Serum Institute of India) were instrumental in medically safeguarding the Indian population and those of 100+ countries against COVID-19.

3. **Policy and Government support:** The Government aims to develop India as a global healthcare hub. Public health surveillance in India will further strengthen the health systems. In the Interim Union Budget 2024-25, the government allocated Rs.90,659 crore (US$ 10.93 billion) to the Ministry of Health and Family Welfare (MoHFW). In March 2021, the Parliament passed the National Commission for Allied & Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

4. **Rising Manpower:** Availability of a large pool of welltrained medical professionals in the country. The number of allopathic doctors with recognised medical qualifications (under the I.M.C Act) registered with state medical councils/national medical council increased to 1.3 million in November 2021, from 0.83 million in 2010.

5. **Growing space:** This industry is still in its growing phase, according to the Life Cycle of an Industry. So, it can still go a long way and spread its wings further apart. So, it can still take control over the market, given the right marketing and advertising.

6. **Foreign investment**: Per India's Consolidated FDI Policy, foreign direct investment in the pharmaceutical sector in greenfield (new) projects is permitted up to 100% without the approval of the Department of Pharmaceuticals (the "DoP"). 100% FDI in the pharmaceutical sector is allowed in brownfield pharmaceuticals; wherein 74% is allowed under the automatic route and thereafter through the government approval route.

7. **Continued Rise of Digital Health:** The rise of digital health technologies will transform the pharma industry. Patients will be able to monitor their health remotely through telemedicine and wearables. This technology will also provide valuable data for pharma companies to develop more effective treatments

**Threats for Pharmaceutical Industry**

1. **Demand for a skilled workforce:** The pharmaceutical industry requires a workforce that has significant knowledge, experience, and skills. Training the workforce helps to acquire the necessary skills to ensure, enhance and improve their participation in their daily tasks. This will also help to fill in any skills gaps that may be observed in the workforce.

2. **Supply chain disruption:** Supply chains have witnessed an unprecedented disruption all around the world, and this represents one of the major challenges facing the pharmaceutical industry. Many pharma companies are looking to supply chain innovations and circular supply chain models to tackle these challenges and build business resilience.

3. **Regulatory compliance:** Pharmaceutical companies must comply with various regulations, from clinical trial requirements to manufacturing and distribution standards. Keeping up with these regulations can be daunting, and failure to comply can result in costly fines and reputational damage.

4. **R&D Costs:** Developing new drugs and treatments is an expensive and time-consuming process. With rising R&D costs and increasing pressure to deliver results, pharmaceutical companies must be able to streamline their research processes and optimize their resources.

5. **Intellectual property**
   The pharmaceutical industry is highly competitive, and intellectual property is critical to the success of any company. Protecting and enforcing patents can be a complex and costly process, and the threat of patent infringement is a constant concern.

6. **Pricing pressure**
   Pharmaceutical companies face increasing pressure to control the cost of their products, both from government regulators and consumers. This pressure can lead to lower profit margins and increased competition, making it harder for companies to invest in R&D and bring new products to market.

7. **Supply chain management**
   The pharmaceutical supply chain is complex and highly regulated, with multiple stakeholders involved in drug production, transportation, and distribution. Ensuring the safety and quality of pharmaceutical products at every stage of the supply chain is essential but can be challenging.

## SEGMENT WISE / PRODUCT WISE PERFORMANCE

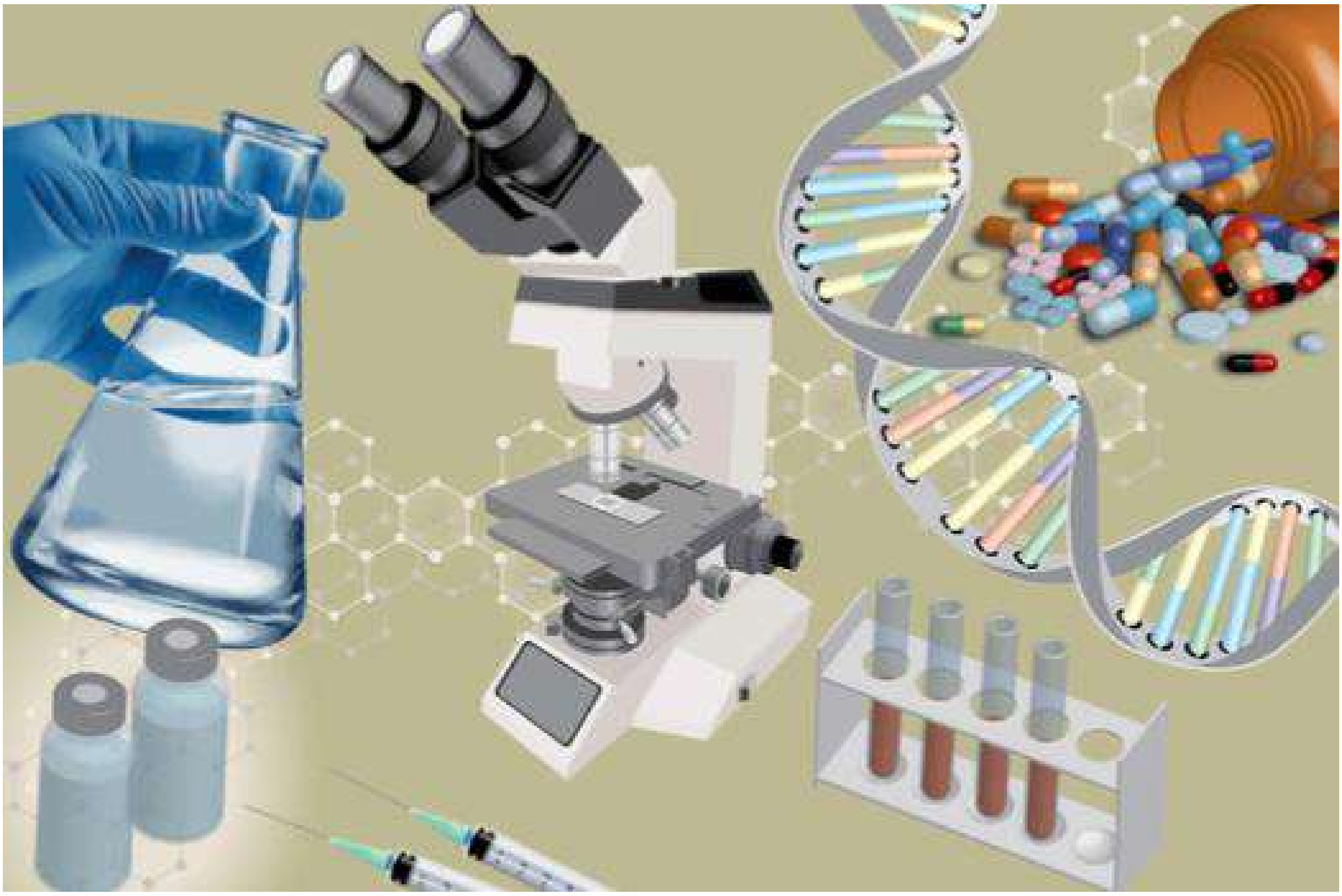
Orchid Pharma Limited currently operates mainly in API business. This segment has 2 categories namely Oral and Sterile. The category wise sales data is given below:

| Financial Year | Oral | | Sterile | |
|---|---|---|---|---|
| | Quantity (Per MT) | Value (Rs in Lakh) | Quantity (Per MT) | Value (Rs in Lakh) |
| 2022 - 23 | 260.64 | 44,436.43 | 113.64 | 20,645.69 |
| 2023 - 24 | 379.25 | 62,029.38 | 106.76 | 19,136.20 |

## OUTLOOK

Orchid, an EOU for manufacturing of both sterile and oral cephalosporin APIs and have a long history of commercial production with the widest portfolio of cephalosporin APIs enjoys 1) Extensive experience in manufacturing complex APIs with high entry barriers; 2) Long-standing relationships with key customers with diversified geographical presence; 3) API Facility with in-house R&D and regulatory capabilities; 4) Experienced Promoter, professional senior management and a technically qualified team.

### Research & Development, Technology Development/Absorption and Intellectual Property



Research & Development is the lynchpin of innovation and plays a vital role in developing and adopting new technologies in the technologically intensive Pharmaceutical industry. In Orchid, a team of well qualified and experienced professionals in R&D are specialised across the value chain of chemical research, analytical research, process development & process engineering of APIs, intermediates and Key Starting Materials. Our R&D centre conforms to international standards and is well equipped with world-class infrastructure managed by best-in-class manpower.

Our R&D performance hinges on the coherence and cohesiveness among our R&D Scientists and Manufacturing Personnel where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D team focuses on process intensification, absorption of technologies and establishing technologies at commercial scale.

A dedicated team of scientists focuses on product/process development in the area of cephalosporins and related heterocyclic chemistry, development of advance heterogeneous catalysts, extension of chemistry skills to non-heterocyclic compounds, value creation in existing key products through process improvements / process intensification, Chiral compounds and development of animal health care products

We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close coordination to ensure parameters established during lab development are within the determined design space leading to seamless scale-up to commercial scale without losing on the proficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhancing the efficiencies of our manufacturing plants to provide better services to our customers.

Through our investment in R&D, together with our implementation of management tools and strategies in manufacturing, design and project management, we continue to improve our cost competitiveness and quality of production by improving the efficiency of our supply chain management and developing better processes and product development and manufacturing capacities to reduce process inefficiencies, process variations, plant inefficiencies, assets under-utilisation and the time required for product and process development.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continuously improve our production efficiencies. Our production technologies typically incorporate specialised proprietary know-how. We have both developed intellectual property internally and acquired intellectual property through acquisitions. From time to time, we may grant licenses to third parties to use our patents and know-how, and may obtain licenses from others to manufacture and sell products using their technology and know-how.

We have designed a very successful R&D which continues to ensure delivery of a sustainable pipeline of high-value products. The Group's R&D strategy is centered on improving the speed and yield. Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

Our business faces significant competition from China and other competitors. R&D has taken a proactive approach to introduce new products on which we were earlier dependent on China. This is being done by deploying our various technological capabilities. New products continue to get developed by experienced and talented R&D teams which work to deliver in line with the marketing strategy by developing new cost effective processes/ products. Further, in order to ensure that cost competitiveness is maintained, R&D is working on the improvement of existing processes including atom economy.

Our focus continues to be on developing commercially competitive, intellectual property compliant, robust and eco-friendly technologies. Our R&D thrives on 'green chemistry culture' and has developed various environmentally friendly & disruptive technologies, incorporated optimum atom efficiencies, recycling and reuse of solvents/reagents/by-products targeting towards zero discharge of effluents, removal/ substitution/ minimisation of hazardous chemicals and replacing chemical processes with enzymatic/ chemo catalysis processes.

Our Intellectual Property (IP) - enabled innovative R&D efforts have helped us avoiding any intellectual property (IP) disputes after developing outstanding designing around capabilities around third party IP by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position in generic pharmaceutical businesses in regulated markets.

The Group has a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and compliance requirements are met by reviewing and monitoring IPR issues continuously. The Group takes all reasonable steps to ensure that our products do not infringe valid third-party IPRs.

We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence-in/ licence-out technologies/know-how to accelerate businesses of interest. The basic mission of R&D remains to enhance innovation level, scientific efficiency and effectiveness in compliance with Orchid core values.

**API manufacturing**

API is an important segment of the Indian pharma industry, contributing to around 35% of the market. The Indian pharmaceutical industry is the 3rd largest in terms of volume and 13th largest in terms of value. Furthermore, India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool, occupying forty-four percent of global abbreviated new drug applications, the API industry's growth in the country has been fuelled by adopting global standards.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it "pharmacy of the world".

There is a growing investment in R&D for API production processes, as well in quality, environment and safety, resulting in better, safer and cleaner technologies and substantial increase of pharmaceutical technology know-how and intellectual property. Companies should increase their size to face global competition. Mergers and acquisitions are taking place in order to pursue globalisation projects. API manufacturers ask for global harmonised regulations with an increasingly strong relationship between the EU and the USA.

**RISKS AND CONCERNS**

1. **Regulations and directives:** Pharma manufacturing is already highly regulated, with manufacturers continually refining their processes to overcome substantial compliance obligations and costs. Unfortunately, compliance will become even more challenging in the coming years. The U.S. Food and Drug Administration (FDA) recently issued pharma industry guidance documents that impact how organizations collect, manage and submit quality data.

2. **Talent shortage:** As with all sectors, pharma manufacturers are struggling to attract the right talent. According to McKinsey, 80% of facilities are having difficulty finding candidates with the right skills. Pharma manufacturers are rapidly introducing new technologies, automating processes, and applying advanced analytics to data. Disruptions such as new business models and entirely new product modalities are contributing to the current landscape.

3. **Cybersecurity and data protection:** Cybersecurity threats are a major concern for nearly every industry, but according to IBM's latest report, pharma ranks among the top three industry verticals for the highest average cost of a data breach. In 2023, the global average cost of a data breach in the pharma industry was an eyewatering $4.82 million.

4. **Cost and inflationary pressures:** Inflation is still nearly triple what it was pre-pandemic, and it will continue to play a role in 2024. According to Deloittes 2024 Health Care and Life Sciences Outlook, 36% of survey respondents indicated that the economy and inflation would continue to influence their strategy. This is seemingly at odds with the commonly held belief that pharma is one of the few industries that is 'recession-proof,' and can better withstand economic downturns and pressure than other industries.

Additionally, the broader risks associates with the business of the Company are:

- Our business is dependent on the success of our relationships with our customers and sale of our products to them. Any adverse developments or inability to enter into or maintain such relationships, loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.
- We derive majority of our revenue from our sterile and oral cephalosporin API business, of which a limited number of key products generate a significant portion of our total revenue, and our business may be adversely affected if our sterile and oral cephalosporin API business or our key products do not perform as well as expected or if substitute products become available or gain wider market acceptance.
- Manufacture, storage and supply of oral and sterile cephalosporin APIs is a complex process and if we fail to maintain the quality of our sterile APIs manufacture at any stage, our business and operations will be adversely affected.
- We are dependent on select countries and few suppliers for significant part of our raw material. Any delay, interruption or shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and

supply of our products and have an adverse effect on our business, results of operations and financial condition.

- Our business subjects us to risks in multiple countries that could materially adversely affect our business, cash flows, results of operations and prospects. We also face foreign exchange risks that could adversely affect our results of operations and cash flows.
- Our inability to successfully utilize our installed capacity, could have an adverse effect on our business, results of operations, financial condition and cash flows.
- Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.
- We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations and cash flow.
- Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing and reimbursement could adversely affect the pricing and demand for our products.
- We rely completely on third-party logistics providers for supply and transportation of our products to our customers. Any inability on the part of third party logistics providers to effectively render their services may adversely impact our operations and business.
- We have power and water requirements and any disruption to power or water sources could increase our production costs.

**INTERNAL CONTROL SYSTEMS**

The Company has external teams carrying out various types of audit to strengthen the internal audit and risk management functions. The Internal Financial Control over Financial Reporting System are existing and operative, however based on the observations of the auditors, the Company is further strengthening the Internal Financial Control systems over financial reporting. The Board and Audit Committee ensure that the internal financial control system operated effectively and they regularly review the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory norms.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

**Profitability**

✓ **From Continuing Operations**

- During the year ended on March 31, 2024, the EBITDA of the Company was at Rs. 141.07 Crore as against EBITDA of Rs.103.05 Crore during the previous year ending on March 31, 2023.
- The net profit of the Company before Extra-ordinary items & Tax for the year ended on March 31, 2024 stood at Rs. 91.52 Crore as against loss of Rs.16.04 Crore during the previous year ending on March 31, 2023.

✓ **EPS for Company**

- EPS for the year ending on March 31, 2024 (before extra-ordinary items) stood at a positive Rs. 19.59 as compared to a positive Rs. 13.28 for the previous year ending on March 31, 2023.

**Components of Revenue & Expenditure**

✓ **From Continuing Operations**

- The operating revenues for the year 2023-24 was Rs. 819.37 Crore as against Rs.665.90 Crore during the previous year ending on March 31, 2023.
- Material cost for the year ended March 2024 was Rs. 528.35 Crore (64.48 % of the Operating revenues) as compared to Rs. 406.09 Crore (60.9% of the Operating revenues) during the previous year ending on March 31, 2023.
- The other operating cost, including employee cost for the year ended March 2024 was Rs. 224.23 Crore as against Rs. 197.66 Crore during the previous year ending on March 31, 2023.
- The Finance cost for the year ended March 2024 was Rs. 16.33 Crore as compared to Rs. 32.23 crore during the previous year ending on March 31, 2023.
- The Depreciation & Amortisation for the year ending March 2024 was Rs. 33.22 Crore as compared to Rs.54.79 Crore during the previous year ending on March 31, 2023.

✓ **Balance Sheet**

- The Equity and Reserves as at March 31, 2024 stood at Rs. 1218.32 Crore as compared to Rs.731.96 Crore as at March 31, 2023.
- The total borrowings as at March 31, 2024 stood at Rs. 134.26 Crore as compared to Rs.331.35 Crore as at March 31, 2023.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

Orchid's HR function is aligned with the Company's overall growth vision and continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition policies, learning and development programmes as well as all- round employee development. Orchid provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors. Orchid Pharma has a diverse talent pool of 923 Orchidians. The Company acknowledges the indispensable role of Orchidians in driving continued success.

**DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS ALONG WITH DETAILED EXPLANATIONS**

***RATIOS FOR INCLUSION - FY 2023 - 24 AND FY 2022 - 23 (CONTINUING OPERATIONS)***

***All Amount in INR Crore***

| **Particulars** | **FY 2023 - 24** | **FY 2022 - 23** |
|---|---|---|
| **Debtors Turnover Ratio:** | | |
| Sales for the year (manufacturing sales) | 815.12 | 655.61 |
| Debtors at the beginning of the year | 294.04 | 241.18 |
| Debtors at the end of the year | 271.24 | 294.04 |
| Average Debtors for the year | 282.64 | 267.61 |
| Debtors Turnover Ratio | 2.8 | 2.5 |
| | | |
| **Inventory Turnover Ratio** | | |
| Cost of goods sold | 484.46 | 384.62 |
| Opening Inventory | 225.27 | 169.12 |
| Closing Inventory | 258.19 | 225.27 |
| Average Inventory | 241.73 | 197.19 |
| Inventory Turnover Ratio | 2.0 | 2.0 |
| | | |
| **Interest Coverage Ratio** | | |
| EBITDA | 141.06 | 103.05 |
| Interest Expenses | 16.33 | 32.23 |
| Interest Coverage Ratio | 8.64 | 3.2 |
| | | |
| **Current Ratio** | | |
| Current Assets at the end of the year | 782.29 | 493.79 |
| Current Liabilities at the end of the year | 209.67 | 326.63 |
| Current Ratio | 3.73 | 1.51 |
| | | |
| **Debt Equity Ratio** | | |
| Total Debts at the end of the year | 134.26 | 331.35 |
| Shareholders' equity at the end of the year | 1218.31 | 731.96 |
| Debt Equity Ratio | 0.11 | 0.45 |

| RATIOS FOR INCLUSION - FY 2023 - 24 AND FY 2022 - 23 (CONTINUING OPERATIONS) | | |
|---|---|---|
| | | *All Amount in INR Crore* |
| **Particulars** | **FY 2023 - 24** | **FY 2022 - 23** |
| **Operating Profit Margin (%)** | | |
| Operating Profit | 110.68 | 83.62 |
| Net Sales | 819.37 | 665.90 |
| Operating Profit Margin% | 13.51 | 12.56 |
| | | |
| **Net Profit Margin (%)** | | |
| Net Income at the end of the year | 91.52 | 16.04 |
| Net Sales at the end of the year | 819.37 | 665.90 |
| Net Profit Margin% | 11.17 | 2.41 |

**DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

Return on net-worth improved to positive of 7.51% during the FY 2023-24 compared to 2.27% of the previous year. Improvement has occurred due to current year's increased profits due to the turnover increase and overall operational expenses were reduced during the year as compared to last year.

## Annexure I to the Board's Report
# Corporate Governance Report

In Compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and amendments made thereunder **("SEBI Listing Regulations")**, the Company submits the Corporate Governance Report for the year ended March 31, 2024.

### A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a key for creating and maximising the stakeholder value. At Orchid, we believe that effective corporate governance practices plays a pivotal role in growing a sustainable and successful business, creating a long-term value for the Stakeholders. Orchid firmly believes in adhering to Corporate Governance code to ensure protection of its investor's interest as well as healthy growth of the Company. The philosophy of your Company is to adhere to TRANSPERANCY, INTEGRITY and ACCOUNTABILITY. We focus to achieve and maintain the highest standard of Corporate Governance by providing adequate and timely information to all the shareholders and recognizing the rights of its shareholders and encouraging co-operation between the Company and the stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. We believe in performance oriented systems. Over the years, your Company's Corporate Governance framework has evolved a lot with development of some best corporate working and behavior.

### B. BOARD OF DIRECTORS

#### I) Composition and Category of Board

An empowered Board comprising of diverse group of experienced leadership brings rich experience, strategic directions and takes the Company forward on path of sustainable progress. The Board is responsible for overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a pivotal role in the oversight of the Company's affairs.

The composition of Board of Directors of the Company is in conformity with the requirements of Regulation 17 and Regulation 17A of SEBI Listing Regulations as well as provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and all other applicable laws and in accordance with the best practices of Corporate Governance.

The Board Composition and Category of Directors as on March 31, 2024 is as follows:

| S.No. | Category | No. of Directors |
|---|---|---|
| 1 | ExecutiveDirector | 2 |
| 2 | Non - Executive and Non - Independent Director | 2 |
| 3 | Independent Director (excluding Woman Director) | 3 |
| 4 | Independent Woman Director | 1 |
| | **Total** | **8** |

*Note: None of the Non-Executive Directors are and were involved/responsible for the day to day affairs of the Company during the year under review.*

**ii) The details relating to composition, category of Directors, directorships held by them in other companies and their membership and chairmanship in various Committees of Board of other companies, as on March 31, 2024 are as follows:**

| Other Directorship and Committee Memberships/Chairmanshi | | | | | | |
|---|---|---|---|---|---|---|
| S. No. | Name(s) of the Director(s) | Designation | Number of Directorships held in other Public (listed and unlisted) companies as on March 31, 2024 | Number of Board Committee positions held in other Companies as on March 31, 2024 | | Directorship/s in other listed entity & Category of Directorship |
| | | | | Member* | Chairman* | |
| 1 | Mr. Ram Gopal Agarwal (DIN:00627386) | Chairman (Non - Executive - Non-Independent Director) | 2 | 0 | 0 | Dhanuka Agritech Limited (*Executive-Whole Time Director and Chairman*) |
| 2 | Mr.Manish Dhanuka (DIN:00238798) | Executive-Managing Director | 3 | 0 | 0 | Dhanuka Agritech Limited (*Non-Executive & Non Independent Director*) |
| 3 | Mr.Mridul Dhanuka (DIN: 00199441) | Executive -Whole Time Director | 2 | 1 | 0 | Nil |
| 4 | Mr. Arjun Dhanuka* (DIN: 00454689) | Non-Executive and Non-Independent Director | 1 | 0 | 0 | Nil |
| 5 | Dr. Dharam Vir (DIN: 08771224) | Non-Executive - Independent Director | 0 | 0 | 0 | Nil |
| 6 | Mr. Mudit Tandon** (DIN: 06417169) | Non- Executive - Independent Director | 1 | 0 | 0 | Nil |
| 7 | Mr. Manoj Kumar Goyal (DIN: 06361663) | Non-Executive - Independent Director | 0 | 0 | 0 | Nil |
| 8 | Ms. Tanu Singla (DIN: 08774132) | Non-Executive- Independent Director | 0 | 0 | 0 | Nil |

** Mr. Arjun Dhanuka (Din: 00454689) was appointed by Board of the Company w.e.f Oct. 20, 2023 as Additional Director under the category of Non-Executive Non-Independent Director and his office was regularized by the members of the Company on Nov. 28, 2023.*

***Mr. Mudit Tandon (DIN: 06417169) resigned from the position of Non- Executive- Independent Director w.e.f. April 12, 2024.*

None of the Independent Directors resigned from the Board of the Company during the financial year ended March 31, 2024.

**Notes:**

I. In accordance with Regulation 26 of SEBI Listing Regulations, for disclosing the details w.r.t the positions held in other Companies along with Membership/ Chairmanship of Committees of other Boards, the disclosures was given for Membership/Chairmanship of the Audit Committee and Stakeholders Relationship Committee across all other Public Limited Companies.

II. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and are not aware of any circumstances or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

III. None of the Directors of the Company holds directorship in more than 20 companies. This includes alternate directorship but does not include the directorships held in dormant companies and Companies registered under Section 8 of Companies Act, 2013. Further, none of the Directors hold directorship in more than 10 public companies.

IV. The Directors of the Company both Executive and Non-Executive holds the Directorship in compliance with the Regulation 17A of the SEBI Listing Regulations i.e. holds position of Director in not more than seven listed companies.None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Regulation 26 of the SEBI Listing Regulations) across all the public limited companies in which the person is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2024 have been made by the Directors. The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies.

V. The Company has obtained a certificate from M/s. Brajesh Kumar & Associates, Company Secretary in Whole Time Practice confirming the Non-Disqualification or Non-Debarment of Directors in addition to the confirmations received from Directors in their individual capacity that they are not debarred or disqualified by SEBI/Ministry of Corporate Affairs or any other statutory authority to continue as Director of the Company.

VI. None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

VII. The Board of Directors periodically reviews the compliance report of all the laws applicable to the Company.

VIII. In Compliance with Regulation 17 of SEBI Listing Regulations and second proviso to Section 149(1) of the Act, Ms. Tanu Singla, a Woman Independent Director is present on the Board of the Company. Furthermore, the Board has appointed Ms. Shubha Singh, a Woman Independent Director in its meeting held on May 23, 2024 as Additional Director of the Company subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting, to mark the presence of gender diversity with more effectiveness.

IX. None of the Directors of the Company has attained the age of seventy five years as on March 31, 2024. However, Mr. Ram Gopal Agarwal, Non-Executive Chairman of the Company will be attaining the age of seventy five years on July 30, 2024 and has been proposed in the ensuing Annual General Meeting for the Shareholders approval to continue the office in accordance with the provisions of Regulation 17(1A) of SEBI Listing Regulations.

X. Mr. Mudit Tandon, resigned from the position of Non- Executive Independent Director of the Company w.e.f. April 12, 2024 i.e. after the closure of the period under review.

XI. None of the Directors on the Board of the Company has been debarred from accessing the capital market and/or restrained from holding position of Director in any listed company by virtue of any SEBI Order or any such authority.

XII. In accordance with the Section 2(77) of the Companies Act, Board Members of the Company do not comes under the category of relatives to each other including the Independent Directors of the Company.

**iii) Board Meetings & Attendance Record of the Directors**

In Compliance with the Companies Act, 2013 and SEBI Listing Regulations, minimum four pre-scheduled Board meetings were held. Additional Board meetings were convened by giving appropriate notices to address the Company's specific needs. Dates of Quarterly Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting except for meetings which are held on a shorter notice period. Video conferencing or other audio visual facilities are used to facilitate Directors who were unable to attend meetings physically at the venue, to participate in the meetings. In case of exigencies or urgencies, resolutions were considered and passed by circulation as well.

The Board is given presentations covering the Company's major business segments and their operations, business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/ annual financial results/statements.

During the financial year 2023-24, **10 (Ten)** Board Meetings were held on May 10, 2023, June 22, 2023, June 27, 2023 (2 Board Meetings on same day), July 12, 2023, August 10, 2023, November 04, 2023, December 06, 2023, December 16, 2023 and February 08, 2024. Time gap between any two consecutive board meetings was not more than 120 days. The previous Annual General Meeting of the Company was held on August 09, 2023.

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2023-24 are as under:

| Name(s) of the Director(s) | Number of Board meetings which the Director was entitled to attend | Number of Board Meetings attended | Attendance at the last AGM held on August 09, 2023 |
|---|---|---|---|
| Mr. Ram Gopal Agarwal | 10 | 1 | No |
| Mr. Manish Dhanuka | 10 | 10 | Yes |
| Mr. Mridul Dhanuka | 10 | 10 | Yes |
| Mr. Arjun Dhanuka* | 4 | 4 | NA |
| Dr. Dharam Vir | 10 | 10 | Yes |
| Mr. Mudit Tandon** | 10 | 3 | No |
| Mr. Manoj Kumar Goyal | 10 | 8 | Yes |
| Ms. Tanu Singla | 10 | 8 | Yes |

** Mr. Arjun Dhanuka appointed on the Board of the Company w.e.f Oct. 20, 2023.*
***Mr. Mudit Tandon resigned from the position of Non- Executive Independent Director of the Company w.e.f. April 12, 2024.*

**iv) Chart or matrix setting out the Skills/ Expertise/ Competence of the Board of Directors as on March 31, 2024**

The Board has identified the following Core Skills/Expertise/Competencies required in the Directors for effectively managing the Company's business operations and those possessed by the Board Members.

**Skills/Expertise/Competence of the Board of Directors:**

| S. No. | Broad categories of skills | Core Skill/ Expertise/ Competencies identified by the Board | Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Mr. Ram Gopal Agarwal | Mr. Manish Dhanuka | Mr. Mridul Dhanuka | Mr. Arjun Dhanuka | Dr. Dharam Vir | Mr. Manoj Kumar Goyal | Mr. Mudit Tandon | Ms. Tanu Singla |
| 1 | Leadership and Management | Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision | √ | √ | √ | √ | √ | √ | √ | √ |
| 2 | Industry knowledge (Pharma Industry) | Knowledge of the Pharma industry and general understanding of government legislation/ legislative process with respect to governance of the Board affairs | √ | √ | √ | √ | √ | √ | √ | √ |

| S. No. | Broad categories of skills | Core Skill/ Expertise/ Competencies identified by the Board | Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Mr. Ram Gopal Agarwal | Mr. Manish Dhanuka | Mr. Mridul Dhanuka | Mr. Arjun Dhanuka | Dr. Dharam Vir | Mr. Manoj Kumar Goyal | Mr. Mudit Tandon | Ms. Tanu Singla |
| | | Understanding of Pharma sector with specific emphasis on various factors influencing the business in the sector | | | | | | | | |
| 3 | Business acumen | Ability to combine experience, knowledge & perspective to make sound business decisions | √ | √ | √ | √ | √ | √ | √ | √ |
| 4 | Strategic thinking | Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal. | √ | √ | √ | √ | √ | √ | √ | √ |
| 5 | Finance & Accounting | Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets & efficient use of resources Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues | √ | √ | √ | √ | √ | √ | √ | √ |

| S. No. | Broad categories of skills | Core Skill/ Expertise/ Competencies identified by the Board | Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Mr. Ram Gopal Agarwal | Mr. Manish Dhanuka | Mr. Mridul Dhanuka | Mr. Arjun Dhanuka | Dr. Dharam Vir | Mr. Manoj Kumar Goyal | Mr. Mudit Tandon | Ms. Tanu Singla |
| 6 | Risk management | Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework to insulate the business from pitfalls. | √ | √ | √ | √ | √ | √ | √ | √ |
| 7 | Governance | Compliance focus and strategic thinking /planning from governance aspect | √ | √ | √ | √ | √ | √ | √ | √ |
| 8 | International /Global knowledge | Awareness about relevant markets at global level and diversification of Company's business, global trends | √ | √ | √ | √ | - | √ | - | √ |
| 9 | Strategic advisory | Ability to advise on organic/inorganic growth opportunities through acquisitions / combinations, assess build or purchase | √ | √ | √ | √ | √ | √ | √ | √ |

| S. No. | Broad categories of skills | Core Skill/ Expertise/ Competencies identified by the Board | Whether the skills Set/ Area of Expertise /Knowledge is possessed by the Directors of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Mr. Ram Gopal Agarwal | Mr. Manish Dhanuka | Mr. Mridul Dhanuka | Mr. Arjun Dhanuka | Dr. Dharam Vir | Mr. Manoj Kumar Goyal | Mr. Mudit Tandon | Ms. Tanu Singla |
| 10 | Sales, Distribution & Brand Marketing | Experience in developing strategies to grow sales, and market share, create distribution models and build brand awareness to enhance company's reputation | √ | √ | √ | √ | - | √ | - | √ |
| 11 | Operations | Expertise in managing the operations of the Company | √ | √ | √ | √ | √ | √ | √ | √ |

**v) Information available to the Board**

During the year 2023-24, minimum information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, wherever applicable, has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the board meeting and/or is placed at the table during the course of the meeting. Key Managerial Personnel and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman and Managing Director prepares the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Further, the Board periodically reviews the Compliance Reports in respect of laws and regulations applicable to the Company.

**vi) Separate Meeting of Independent Directors for Evaluation of Board as a whole, Chairman and Non- executive directors & Familiarization Programme for Independent Directors**

A separate meeting of the Independent Directors was held on December 06, 2023 inter-alia, to evaluate the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

The Company has organized Familiarization Programmes for the Non – Executive Independent Directors of the Company to familiarize them with the Company vis-a-vis their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Details of Familiarization Programmes conducted are uploaded on the website of the Company & can be accessed through the link http://www.orchidpharma.com/downloads/Familiarisation%20program%20for%20Independent%20Directors_23-24.pdf.

**vii) Shareholding of Executive Directors**

As on March 31, 2024, the Company has two Executive Directors on the Board of the Company viz. Mr. Manish Dhanuka, Managing Director and Mr. Mridul Dhanuka, Whole Time Director. Both the directors on the Board of the Company hold Nil equity shares of the Company as on March 31, 2024.

**viii) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided**

None of the Independent Directors had resigned from the Company during the Financial Year 2023-2024. Further, Mr. Mudit Tandon, Independent Director of the Company resigned from the Board after the closure of financial year vide his letter dated April 12, 2024 before the end of his term. Furthermore, Mr. Mudit Tandon has confirmed along with his resignation that other than as stated in the resignation letter i.e. due to his personal reasons, there are material reasons for his resignation. The same information had been submitted with the Stock Exchanges in accordance with the SEBI Listing Regulations and is available on the website of the Company for access to the general public.

## C. COMMITTEES OF THE BOARD OF DIRECTORS

The Board Committees play a crucial role in the Governance structure of the Company and have been assigned specific areas/activities that need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles. Currently, the Board has the following Statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee. Also, the Non-Statutory Committees of the Company during the period under review were Banking, Finance & Operations Committee, Business Restructuring Committee, Capital Restructuring Committee and Restructuring Committee. Details of the roles, composition and terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

### I. Audit Committee

The Company has a qualified and independent Audit Committee which has been formed in pursuance of Regulation 18 of the Listing Regulations and Section 177 of the Act. The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. It oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors. All possible measures have been taken by the Committee to ensure the objectivity and independence of the independent auditor. The Company Secretary of the Company acts as the Secretary to the Committee. All members of the Committee are financially literate and have accounting or related financial management expertise.

**a) Composition of Audit Committee as at March 31, 2024 is as under:**

| S. No. | Name of Committee Members | Designation | Committee position |
|---|---|---|---|
| 1 | Mr. Manoj Kumar Goyal | Non- Executive Independent Director | Chairman |
| 2 | Ms. Tanu Singla | Non- Executive Independent Director | Member |
| 3 | Mr. Mridul Dhanuka | Executive-Whole Time Director | Member |

**b) Terms of Reference:**
Primarily, the Audit Committee is responsible for:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
a. Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
b. Changes, if any, in accounting policies and practices and reasons for the same
c. Major accounting entries involving estimates based on the exercise of judgment by management.
d. Significant adjustments made in the financial statements arising out of audit findings.
e. Compliance with listing and other legal requirements relating to financial statements
f. Disclosure of any related party transactions
g. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process

8. Approval or any subsequent modification of transactions of the company with related parties; including the omnibus approval for the related party transactions proposed to be entered by the Company.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors

18. To review the functioning of the whistle blower mechanism.

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees

100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision

22. Consider and comment on rationale, cost - benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

23. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in Listing Regulations.

**c) Meetings and attendance of Audit Committee during the Financial Year 2023-24**

7 (Seven) Meetings of the Audit Committee were held during the Financial Year 2023-24 on May 10, 2023, July 12, 2023, August 10, 2023, November 04, 2023, December 06, 2023, February 08, 2024 and March 11, 2024. The necessary quorum was present during all the Meetings.

The attendance of Members at the meetings of the Committee held during the year is as follows:

| Name & Designation | Committee position | Number of meetings held | Number of Meetings attended |
|---|---|---|---|
| Mr. Manoj Kumar Goyal (*Non- Executive Independent Director*) | Chairman | 7 | 7 |
| Ms. Tanu Singla (*Non- Executive Independent Director* | Member | 7 | 7 |
| Mr. Mridul Dhanuka (*Executive-Whole Time Director*) | Member | 7 | 7 |

**II. Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee functions in accordance with Section 178 of the Act, and Regulation 19 of the Listing Regulations. It discharges the Board's responsibilities of Nomination and Remuneration of the Company's Executive/Non-Executive Directors Senior Management and Key Managerial Personnel. It also has the overall responsibility of approving and evaluating the performance of individual directors, Board as a whole and Board Committees.

**a) Composition of Nomination and Remuneration Committee as at March 31, 2024 is as under**:

| S. No. | Name of Committee Members | Designation | Committee position |
|---|---|---|---|
| 1 | Mr. Mudit Tandon | Non-Executive Independent Director | Chairman |
| 2 | Dr. Dharam Vir | Non-Executive Independent Director | Member |
| 3 | Mr. Manoj Kumar Goyal | Non-Executive Independent Director | Member |

The composition of the Nomination and Remuneration Committee meets the requirements as laid down under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. Chairman of the NRC is an Independent Director. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

**b) Terms of Reference:**

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

7. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in Listing Regulations.

**c) Meetings and attendance of Nomination and Remuneration Committee during the Financial Year 2023-24**

**3 (Three)** meetings of the Nomination & Remuneration Committee were held on May 08, 2023, July 12, 2023 and December 16, 2023 held during the Financial Year 2023-24. The necessary quorum was present during the Meetings.

The attendance of Members at the meetings of the Committee held during the year is as follows:-

| Name & Designation | Committee position | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|
| Mr. Mudit Tandon (*Non-Executive-Independent Director*) | Chairman | 3 | 1 |
| Dr. Dharam Vir (*Non-Executive-Independent Director*) | Member | 3 | 3 |
| Mr. Manoj Kumar Goyal (*Non-Executive-Independent Director*) | Member | 3 | 3 |

**d) Appointment of Directors and Key Managerial Personnel**

NRC determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account apart from others, Board diversity, person's eligibility, qualification, skills, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper criteria's. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member. In case of re-appointment of any Board member, NRC on the basis of evaluation scores of the concerned Board member pursuant to performance evaluation, recommends its decision to the Board to extend or continue the term of appointment of the Board member.

The authority to identify right candidates for appointment of KMP's and SMPs (Senior Management Personnel) is vested with the Executive Directors. The Executive Directors along with HR Head identifies candidates internally or externally and proposes to NRC for its approval for appointment along with proposed remuneration. The remuneration proposed used to be consistent with the strategy of the Company and in line with the comparable market & internal remuneration benchmarks.

**e) Senior Management Personnel**

The Company had 2 (Two) Senior Management Personnel viz. Mr. Sarangdhar R J, Vice President - (Unit Head - API & FDF) and Mr. Rajnish Rohatgi, CEO - Orchid AMS as on March 31, 2024. Mr. Rajnish Rohatgi was appointed as Senior Management Personnel of the Company w.e.f. September, 15, 2023.

## III. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of Directors specifically looks into various aspects of interest of Shareholders and Investors complaints and other related issues of shareholders and other security holders. It ensures protecting investor interests and oversees the mechanism for redressal of investors' grievances. The Committee reviewed adherence to the service standards for investors adopted by the Company's Registrar & Share Transfer Agent and various measures & initiatives taken for ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company and resolution of grievance as also for facilitating e-voting by shareholders.

**a) Composition of Stakeholders Relationship Committee as at March 31, 2024 is as under:**

| S. No. | Name of Committee Members | Designation | Committee position |
|---|---|---|---|
| 1 | Dr. Dharam Vir | Non-Executive Independent Director | Chairman |
| 2 | Mr. Manoj Kumar Goyal | Non-Executive Independent Director | Member |
| 3 | Ms. Tanu Singla | Non-Executive Independent Director | Member |

The composition of the Stakeholder Relationship Committee meets the requirements as laid down under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. Chairman of the Stakeholder Relationship Committee is Non-Executive Independent Director.

**b) Terms of Reference:**

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non - receipt of annual report, non - receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**c) Meetings and attendance of Stakeholders' Relationship Committee during the Financial Year 2023-24**

1 (One) meeting of the Stakeholder Relationship Committee was held on August 10, 2023 during the Financial Year 2023-24. The necessary quorum was present during the meeting.
The attendance of Members at the meeting(s) of the Committee held during the year is as follows:-

| Name & Designation | Committee position | Number of meetings held | Number of Meetings attended |
|---|---|---|---|
| Dr. Dharam Vir, *(Non-Executive-IndependentDirector)* | Chairman | 1 | 1 |
| Mr. Manoj Kumar Goyal *(Non-Executive-Independent Director)* | Member | 1 | 1 |
| Ms. Tanu Singla *(Non-Executive-Independent Director)* | Member | 1 | 1 |

The details of investor complaints (as reported under Regulation 13 of SEBI Listing Regulations) received and resolved during the period from April 1, 2023 to March 31, 2024 is as under:

| No. of Investor Complaints pending at the beginning of April 01, 2023 | No. of Investor Complaints received from April 1, 2023 to March 31, 2024 | No. of Investor Complaints resolved from April 1, 2023 to March 31, 2024 | No. of Investor Complaints pending at the end of March 31, 2024 |
|---|---|---|---|
| 1 | 1 | 2 | 0 |

**IV. Risk Management Committee**

The Risk Management Committee of Directors looks into for monitoring the risk management process in the Company. The Committee has been constituted to review the process for systematic identification and assessment of the business risks, to assess the critical risk exposures by specialized analysis and quality reviews and report to the Board the details of any significant development relating to these including the steps being taken to manage the exposures, review the risks associated with cyber security, identify and make recommendations to the Board, to the extent necessary on resources and staffing required for an effective risk management.

a) Composition of Risk Management Committee as at March 31, 2024 is as under:

| S. No. | Name of Committee Members | Category | Committee position |
|---|---|---|---|
| 1 | Dr. Dharam Vir | Non-Executive - Independent Director | Chairman |
| 2 | Mr. Manish Dhanuka | Managing Director | Member |
| 3 | Mr. Mridul Dhanuka | Whole time Director | Member |
| 4 | Mr. Sunil Kumar Gupta | Chief Financial Officer | Member |
| 5 | Dr. R. J. Sarangdhar | Unit Head-API & FDF(Senior General Manager) | Member |

The composition of the Risk Management Committee meets the requirements as laid down under regulation 21 of the SEBI Listing Regulations. The Chairman of the Committee is Non-Executive Independent Director.

**a) Terms of Reference:**

1. To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

8. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in SEBI/RBI Regulations

b) **Meetings and attendance of Risk Management Committee during the Financial Year 2023-24**

2 (Two) meetings of the Risk Management Committee were held during the Financial Year 2023-2024 on August 10, 2023 and February 05, 2024. The necessary quorum was present during the Meetings.
The attendance of Members at the meeting(s) of the Committee held during the year is as follows:

| Name& Designation | Committee position | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|
| Dr. Dharam Vir<br>*(Non-Executive - Independent Director)* | Chairman | 2 | 2 |
| Mr. Manish Dhanuka<br>*(Managing Director)* | Member | 2 | 2 |
| Mr. Mridul Dhanuka<br>*(Whole Time Director)* | Member | 2 | 1 |
| Mr. Sunil Kumar Gupta<br>*(Chief Financial Officer)* | Member | 2 | 2 |
| Dr. R. J. Sarangdhar<br>*{Unit Head-API & FDF(Senior General Manager)}* | Member | 2 | 2 |

**V. Corporate Social Responsibility Committee**

The company constituted a Corporate Social Responsibility Committee w.e.f. June 19, 2023.

a) **Composition of Corporate Social Responsibility Committee as on March 31, 2024:**

| S. No. | Name of Committee Members | Category | Committee position |
|---|---|---|---|
| 1 | Mr. Manish Dhanuka | Executive Director - Managing Director | Chairman |
| 2 | Mr. Mridul Dhanuka | Executive Director - Whole time Director | Member |
| 3 | Dr. Dharam Vir | Non-Executive - Independent Director | Member |

b) **Terms of Reference:**

1. To formulate and recommend to the Board, an annual action plan in pursuance of its a Corporate Social Responsibility Policy, which shall indicate the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

2. Recommend the manner of execution of such projects and amount of expenditure to be incurred on the activities referred to in clause (a);

3. Monitoring and ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company;

4. Monitor the Corporate Social Responsibility Policy of the Company from time to time;

5. Conduct impact assessment, if any, for the projects undertaken by the company; and

6. Discharge such other role/functions as may be specifically referred to the Committee by the Board of Directors in relation to Corporate Social Responsibility Policy of the Company and as specified in the Act from time to time.

**c) Meetings and attendance of Corporate Social Responsibility Committee during the Financial Year 2023-24**

Since, the Company had Nil obligation to spend towards Corporate Social Responsibility Expenditure, no meeting of CSR Committee was held during the financial year 2023-24.

**NON- STATUTORY COMMITTEES**

1. **Banking, Finance and Operations Committee**

The Banking, Finance and Operations Committee is inter-alia entrusted with the power to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company.

**a) The composition of the Banking, Finance and Operations Committee as at March 31, 2024 is as under:**

| Name of Committee Members | Category | Committee Position |
|---|---|---|
| Mr. Manish Dhanuka | Managing Director | Chairman |
| Mr. Mridul Dhanuka | Whole time Director | Member |

**b) Terms of Reference:**

1. To monitor, review and take care of the various routine banking, financial and operational matters of the Company.

2. To employ/invest the surplus funds available in the Company in any of the Mutual funds managed by Trusts up to an amount not exceeding Rs.125 Crores (Rupees One Hundred and Twenty Five Crores Only) to facilitate the short term gains for the benefit of the Company.

**c) Meetings and attendance of Banking, Finance and Operations Committee during the Financial Year 2023-24:**

8 (Eight) meetings of the Banking, Finance and Operations Committee were held on April 12, 2023, April 18, 2023, May 25, 2023, June 19, 2023, July 12, 2023, September 18, 2023, October 30, 2023 and February 22, 2024 during the Financial Year 2023-24.

| Name & Designation | Committee position | Number of meetings held | Number of Meetings attended |
|---|---|---|---|
| Mr. Manish Dhanuka Executive Director- Managing Director | Chairman | 8 | 8 |
| Mr. Mridul Dhanuka,Executive Director-Whole time Director | Member | 8 | 8 |

**ii) Business Restructuring Committee**

The Business Restructuring Committee inter-alia includes evaluation of proposals of business restructuring and recommend to the Board of Directors. The composition of the Business restructuring Committee and the attendance of the members at the meetings held during the year are given below:

**a) The composition of the Business Restructuring Committee as at March 31, 2024 is as under:**

| Name of Committee Members | Category | Committee Position |
|---|---|---|
| Mr. Manish Dhanuka | Managing Director | Chairman |
| Mr. Mridul Dhanuka | Whole Time Director | Member |
| Mr. Sunil Kumar Gupta | Chief Financial Officer | Member |

No meeting of the Business Restructuring Committee was held during the Financial Year 2023-24. Further, due to fulfilment of the purpose for which Committee was constituted, the Committee has been dissolved by the Board in its meeting held on May 23, 2024 with effect from the date of Board meeting.

**b) Terms of Reference:**

Review, analyse and evaluate proposals of business restructuring, and recommending such proposals to Board of Directors which helps company in modifying, reshaping its operational or financial structure with the intention of increasing efficiency, enhance business growth etc.

**iii) Restructusring Committee:**

The Restructuring Committee of the Board of Directors was constituted inter-alia to take all necessary steps as may be considered necessary in connection with the proposed Scheme of Arrangement and Amalgamation of Dhanuka Laboratories Limited with and into Orchid Pharma Limited. The composition of the Restructuring Committee and the attendance of the members at the meetings held during the year are given below:

**a) The composition of the Restructuring Committee as at March 31, 2024 is as under:**

| Name of Committee Members | Category | Committee Position |
|---|---|---|
| Mr. Manish Dhanuka | Managing Director | Chairman |
| Mr. Mridul Dhanuka | Whole Time Director | Member |
| Mr. Sunil Kumar Gupta | Chief Financial Officer | Member |

**b) Terms of Reference**

1. To sign and file applications/affidavits/documents with such statutory authorities as may be required for approval or delegate such authority to another person by a valid Power of Attorney or other appropriate authorization;

2. Filing of the Scheme with the regulatory or-statutory authority(ies) in terms of the applicable laws and regulations for obtaining approval to the Scheme

3. Filing of the application(s) with the Tribunal seeking directions for holding / dispensation of the meetings of the shareholders and creditors for obtaining their approval to the Scheme;

4. Conducting the meeting of the shareholders and/or the creditors, signing and sending the notice and carry all such other activities in relation to the meeting if Tribunal and/ or the Government Authority, as the case may be and as applicable, does not dispense with the meetings;

5. Filing of petition(s) for confirmation of the said Scheme with the Tribunal in accordance with the provisions of Companies Act, 2013;

6. Swear affidavits and to give undertakings, to engage counsels, advocates, chartered accountants, merchant bankers and other expert advisors for implementation of the Scheme;

7. Obtaining approval/ consent from such other authorities and parties including the shareholders, term loan lenders, financial institutions and other creditors as may be considered necessary, to the said Scheme;

8. To settle any question/ issue or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;

9. To sign all applications, petitions, vakalatnamas, no objection certificates and / or other documents in relation to the Scheme;

10. Filing of affidavits, pleadings, certificates, declarations, undertakings, proceedings, reports, issuing advertisements and notices or any other documents incidental or deemed necessary or useful in connection with the above proceedings and to do all such acts as are necessary or

incidental to the said proceedings for obtaining confirmation of the Scheme by the Tribunal and other regulatory authorities;

11. To make requisite statutory filings with the concerned Registrar of Companies in connection with the Scheme;

12. To represent the Company before any regulatory authorities including Central or State Government, Regional Director, Registrar of Companies, Official Liquidator and before Tribunal for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions and letters, to finalize and execute all necessary applications/documents/ papers for and behalf of the Company;

13. To access all books, records, facilities and call upon personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge the responsibilities;

14. Issue consent letters on behalf of the Company in the capacity of shareholders / creditors in relation to the proposed Scheme, as may be required;

15. To affix the common seal of the Company on any documents in connection with the purpose of the above resolution as may be required in accordance with the Articles of Association of the Company

16. To withdraw, terminate or abandon the Scheme at any stage in case any changes and/or modifications suggested/ required to be made in the Scheme or any condition imposed, whether by any shareholder, creditor, Tribunal and /or any other regulatory authority, are in their view not in the interest of the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto; and

17. To do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme and to decide and settle all matters and issues that may arise in this regard and/or to get the same done by delegating to one or more of these activities to official(s) of the Company as it may deem fit.

No meeting of the Restructuring Committee was held during the Financial Year 2023-24. Further, due to fulfilment of the purpose for which Committee was constituted, the Committee has been dissolved by the Board in its meeting held on May 23, 2024 with effect thereof.

**iv) Capital Restructuring Committee**

The Capital Restructuring Committee was constituted inter-alia to take all necessary steps as may be considered necessary in relation to the Qualified Institutional Placement. The composition of the Capital Restructuring Committee and the attendance of the members at the meetings held during the year are given below:
The composition of the Capital Restructuring Committee as at March 31, 2024 is as under:

| Name of Committee Members | Category | Committee Position |
|---|---|---|
| Mr.Manoj Kumar Goyal | Non-Executive - Independent Director | Chairman |
| Dr. Dharam Vir | Non-Executive - Independent Director | Member |
| Mr. Mridul Dhauka | Whole Time Director | Member |

**b) Terms of Reference:**

1 To determine the form, terms and timing (i.e. opening and/or closing dates) of the QIP, including number of the Equity Shares to be allotted in each tranche, floor price, final allotment price in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and/or any other applicable laws, including any discount of up to 5% of the floor price or such other discount as may be permitted under applicable law, premium amount in issue, listings on one or more stock exchanges, the date for the opening and closure of the subscription period for the Equity Shares (including the extension of such subscription period, as may be necessary or expedient), and to make and accept any modifications in the proposals as may be required by the authorities involved in such QIP and also agree to any conditions imposed by such authorities at the time of granting their approval, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the QIP;

2. To allot the Equity Shares, in one or more series and/or one or more tranches, issued in accordance with the terms of offering;

3. To undertake all such actions and compliances as may be necessary in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") or any other applicable laws;

4. To approve and adopt any special purpose financials statements, if any, in respect of the QIP;

5. To determine and vary utilization of the QIP proceeds in accordance with the applicable laws;

6. To take the decision pertaining to road shows (deal and non-deal road shows) and investor meet(s);

7. To finalise the basis of allotment of the Equity Shares on the basis of the subscriptions received (including in the event of over-subscription);

8. To seek, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any or all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the creation, issue, offer and allotment of Equity Shares of face value of ₹10/- each of the Company (hereinafter referred to as "**Equity Shares**");

9. To open one or more bank accounts in the name of the Company or otherwise, including escrow account, with such banks in India, as may be necessary or expedient in connection with the issue and allotment of the Equity Shares;

10. To apply to the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as "**Stock Exchanges**") for obtaining of in-principle approval and filing of requisite documents with the Registrar of Companies;

11. To finalize all the terms and conditions and the structure of the Equity Shares, to do all such acts, deeds, matters and things as the Capital Restructuring Committee may, in its absolute discretion deem necessary or desirable in connection with the Equity Shares, and to settle any question, difficulty or doubts that may arise with regard to the offer, issue and allotment of the Equity Shares, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions and / or sanctions which may be necessary or desirable, as it may deem fit or as the Capital Restructuring Committee may *suo moto* decide in its absolute discretion in the best interests of the Company; and

12. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

**C. Meetings and attendance of Capital Restructuring Committee during the Financial Year 2023-2024:**

No meeting of the Capital Restructuring Committee was held during the Financial Year 2023-24. Further, due to fulfilment of the purpose for which Committee was constituted, the Committee has been dissolved by the Board in its meeting held on May 23, 2024 with effect thereof.

**D. REMUNERATION/PAYMENT CRITERIA OF DIRECTORS AND POLICY THEREON**

The remuneration of Executive / Non-Executive Directors and KMPs is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards and decided by NRC.

**I. Remuneration to Executive Directors**

The Remuneration of Executive Directors is decided by the Board based on recommendation of NRC within the ceiling fixed by the Shareholders and permissible under the Act and other relevant laws and regulations. Remuneration paid to the Executive Directors for the year ended March 31, 2024 and the disclosure as per the requirement of Schedule V of the Act and SEBI Listing Regulations, are as follows:

Amount in Rs.

| Name and Designation of the Director | Salary & Perquisites | Bonus | Commission payable | Others | Total |
|---|---|---|---|---|---|
| Mr. Manish Dhanuka Managing Director | 79,08,529.00 | 11,000.00 | 25,988,000.00 | 16,02,524 | 3,55,10,053.00 |
| Mr. Mridul Dhanuka Whole Time Director | 79,08,529.00 | 11,000.00 | 25,988,000.00 | 16,02,524 | 3,55,10,053.00 |

**II. Payments to Non-Executive Directors**

Pursuant to Section 178 of Companies Act, 2013 and the SEBI Listing Regulations, the Nomination and Remuneration Committee has laid down criteria and terms and conditions relating to Nomination and remuneration of the directors, Senior Management and Key Managerial Personnel. The detailed policy about the criteria of making payments to non-executive directors is posted on your Company's website http://www.orchidpharma.com/downloads/Criteria%20of%20making%20payment%20to%20Non-Executive%20Directors.pdf.

Payments made to Non-Executive Directors including Independent Directors and Non-Independent Directors during the financial year 2023-24 is as follows:

| Name(s) of the Director(s) | Remuneration paid during the year 2023- 24 (In Rs.) | | | | | No. of Stock Options | Shareholding |
|---|---|---|---|---|---|---|---|
| | Salary & Perquisite | Commission/ bonus | Sitting fees | Others | Total | | |
| Mr. Ram Gopal Agarwal Chairman &Non-Executive Director | - | - | Nil | - | Nil | - | - |
| Mr. Arjun Dhanuka Non- Executive Director | - | - | 1,00,000 | - | 1,00,000 | - | - |
| Dr. Dharam Vir Independent Director | - | - | 2,85,000 | - | 2,85,000 | - | - |
| Mr. Mudit Tandon Independent Director | - | - | 80,000 | - | 80,000 | - | - |
| Mr. Manoj Kumar Goyal Independent Director | - | - | 2,60,000 | - | 2,60,000 | - | - |
| Ms. Tanu Singla Independent Director | - | - | 2,45,000 | - | 2,45,000 | - | - |

**Directors and Officers Liability Insurance**

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance Policy (D&O) for all its Independent Directors for such quantum and for such risk as may be determined.

**III. Information of pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company**

All Non-Executive Directors are entitled to only Sitting fees for every Board and Committee Meeting they attend and the same is in within the limits stated in Companies Act, 2013. Non-Executive Directors including Independent Directors do not have any pecuniary relationship or transactions with the Company except as stated in this report vis-à-vis Sitting Fees paid.

**IV. Details of Stock options, Number of Shares and convertible instruments held by Non-Executive Directors:**

None of the Non-Executive Directors holds any shares or convertible instruments i.e. which are convertible into equity shares of the

Company as on March 31, 2024. However, as on March 31, 2024, M/s. Dhanuka Laboratories Limited holds 69.84% equity shares and 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures in Orchid Pharma Limited. Apart from receiving sitting fees, no Non-Executive Director including Independent Directors received any fixed component & performance linked incentives from the Company during the period under review. The Company has not granted any stock options to any of its Non-Executive Independent Directors. Further, Mr. Ram Gopal Agarwal, Non-Executive Director is one of the Significant Beneficial Owner of the Company by virtue of indirect holding through M/s. Dhanuka Laboratories Limited. The Company presently does not have any active Employee Stock Option Scheme.

**V. Performance Evaluation criteria for Independent Directors**

In terms of provisions of the Companies Act, 2013 and Regulation 17(10) read with Regulation 25(4) of SEBI Listing Regulations, the Board conducts an annual performance evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the working of its Committees through questionnaire designed with qualitative parameters and feedback based on ratings. The Performance evaluation of Independent Directors was carried out on an annual basis. Structured assessment forms were used for the evaluation of Independent Directors comprising various aspects relevant to their functioning such as attendance at the Board and Committee meetings and active participation thereof, flow of information to the Board, objective judgement, adherence to the Code of Conduct, effectiveness of contribution and its impact on the Company, performance of specific duties and obligations, governance, etc. The Board of Directors expressed their satisfaction with the Policy and Annual Performance Evaluation process and evaluation results.

## E. GENERAL BODY MEETINGS

### I) Annual General Meetings (AGM)

Details of Annual General Meetings held in the last 3 (Three) years are as follows:

| Financial Year | AGM | Location | Special Resolutions passed | Date | Time |
|---|---|---|---|---|---|
| 2022-2023 | AGM | The AGM was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu Dist.- 603110, Tamil Nadu, India shall be deemed to be the venue of the meeting. | * 3 Special Resolutions were passed. | August 09, 2023 | 11:30 A.M. |
| 2021-2022 | AGM | The AGM was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvarkottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting. | NIL | July 15, 2022 | 03:00 P.M. |
| 2020-2021 | AGM | The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office of the Company i.e. "Orchid Towers", No.313, Valluvarkottam high road, Nungambakkam, Chennai-600034 shall be deemed to be the venue of the meeting. | ** 3 Special Resolutions were passed. | August 13, 2021 | 12:20 P.M. |

*Resolutions pertaining to the following matters were passed as Special Resolutions in the Annual General Meeting held for FY 2022-23:

- To approve Shifting of Registered office of the Company outside the local limits of the city but within the jurisdiction of same State and Registrar of Companies.
- Approval of the limit of managerial remuneration payable to Shri Manish Dhanuka (DIN: 00238798), Managing Director of the Company.
- Approval of the limit of managerial remuneration payable to Shri Mridul Dhanuka (DIN: 00199441) Whole-Time Director of the Company.
- **Resolutions pertaining to the following matters were passed as Special Resolutions in the Annual General Meeting held for FY 2020-21:
- To approve the Borrowing powers of the Company under Section 180(1) ( c) of the Companies Act, 2013;
- Approval for creation of Charges/Mortgage properties of the Company under Section 180(1) (a) of the Companies Act, 2013;
- Approval to make Investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013.

**ii) Extra-ordinary General Meeting**

During the period under review, no Extra-ordinary General Meeting was held.

**iii) Postal Ballot**

**Details of resolutions passed through Postal Ballot, the person who conducted the postal ballot exercise and details of voting pattern:**

The Company had sought the approval of the Shareholders by way of an Ordinary resolution for Appointment of Mr. Arjun Dhanuka (DIN: 00454689) as Non-Executive Non-Independent Director of the Company pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014(“Rules”) framed thereunder, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, the Articles of Association of the Company, based on the approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, which was duly passed and the results of which were announced on November 28, 2023. The Postal Ballot was conducted by Mr. Ashok, Partner, M/s. VAPN & Associates, Practicing Company Secretary who was appointed as the Scrutinizer by the Board of Directors. The Scrutinizer's report on the results of the aforesaid Postal ballot same is available at the website of the Company and the web link for the same is http://www.orchidpharma.com/Downloads/stockexchangers/ORCHIDSCRUTINIZERREPORTANDVOTINGRESULTSPOSTALBALLOT.pdf

**Procedure for postal ballot:**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022, 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated 25th September, 2023 respectively issued by the Ministry of Corporate Affairs and Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India. The Company had dispatched the Postal Ballot Notice on Saturday, October 28, 2023 to the members as on Saturday, October 21, 2023 and were requested to vote during the period from October 29, 2023 to November 27, 2023 on the draft resolutions mentioned in the Postal Ballot Notice.

During the year under review, No Special Resolutions were passed through postal ballot and no proposals to pass special resolutions through postal ballot as on the date of this report.

## F. SUBSIDIARY COMPANIES

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations read with the Policy on Subsidiaries of the Company, the Company does not have any 'material' non-listed Indian subsidiaries for year ended March 31, 2024.

The company has a policy for determining' material' subsidiaries in terms of SEBI Listing Regulations and such policy is uploaded on the Company's website and can be accessed through the following link
http://www.orchidpharma.com/downloads/Policy%20for%20Material%20Subsidiaries_v-2.0.pdf

As a holding company, the performance of subsidiaries is monitored by the following means:

- The Audit committee / Board of the Company quarterly reviews the financial statements of the unlisted subsidiary companies, in particular the investments made by these companies.
- Minutes of Board meetings of the unlisted subsidiary companies are placed before the Board meetings of the Company periodically.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed at the Board meetings of the Company periodically.
- Since the Company does not have any material unlisted Indian subsidiaries of the Company, Secretarial audit is not required to be carried out for the period under review.

## G. MEANS OF COMMUNICATION

In accordance to Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at www.orchidpharma.com. The Company's quarterly (un-audited), and annual financial results (audited) are submitted to the Stock Exchanges immediately after these are approved by the Board in accordance with the requirements of the SEBI Listing Regulations. The Annual Report of the Company and the quarterly/annual financial results of the Company are also placed on the Company's website and can be accessed from the link http://www.orchidpharma.com/invr_Annualreports.html and http://www.orchidpharma.com/invr_financial.html respectively.

These financial results (Quarterly/Annual) are generally published in one of the leading newspapers of the country i.e. Financial Express in English and Makkal Kural (Tamil) and are displayed on the website of the Company i.e. http://www.orchidpharma.com/invr_intimation.aspx. Official news releases are also updated on the site. Further, the Company also publish the other important notices / information in Financial Express, English newspaper and Makkal Kural (Tamil) newspaper, having wide circulation in Chennai besides uploading the same on the website of the Company from time to time. Official news releases and official press releases are sent to NSE and BSE before sending the same to media and are also displayed on the Company's website i.e. http://www.orchidpharma.com/invr_intimation.aspx. Presentations were made to the Institutional Investors / Analysts during the Financial Year 2023-24. The presentations made to the Institutional Investors / Analysts are posted on the Company's website and can be accessed athttp://www.orchidpharma.com/invr_conferencecalls.html.

All the corporate communications to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal i.e. BSE Listing Centre and with NSE through NSE's "NSE Electronic Application Processing System" (NEAPS) portal including the Press Releases, which Company releases. The Stock Exchange filings are also made available on the website of the Company and can be accessed at http://www.orchidpharma.com/invr_intimation.aspx.

The Company has designated an e-mail ID i.e. cs@orchidpharma.com exclusively for redressal of Shareholders / Investors complaints / grievances. Shareholders may also contact Company's Registrar and Transfer Agent, M/s. Abhipra Capital Limited, to report any grievance. Contact details of the RTA are available on the website of the Company i.e. http://www.orchidpharma.com/cont_Investor.html.

## H. GENERAL SHAREHOLDERS INFORMATION

### I) Annual General Meeting

Pursuant to Ministry of Corporate Affairs General Circulars No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022, 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated 25th September, 2023, the companies has been allowed to conduct their Annual General Meetings through video conference/other audio visual (VC/OAVM) means till September 30, 2024. Accordingly, it has been decided by the Company to hold its 31st Annual General Meeting (AGM) through VC/OAVM as per the details mentioned hereunder:

| | |
|---|---|
| Date : | Wednesday, August 21, 2024 |
| Time : | 11.30 A.M (IST) |
| Evoting cut off date /Record Date: | August 14, 2024 |

**ii) Financial Calendar (tentative)**

The financial year covers the period starting from 1st April and ending on 31st March.

Adoption of Quarterly Results:

For the Quarter ended on or before (actual & tentative for future quarters)

| | |
|---|---|
| June 30, 2024 | On or before August 13, 2024 (Subject to Limited Review) |
| September 30, 2024 | On or before November 14, 2024 (Subject to Limited Review) |
| December 31, 2024 | On or before February 14, 2025 (Subject to Limited Review) |
| March 31, 2025 | On or before May 30, 2025 (Audited) |

**iii) Dividend Payment Date**

The Company has not recommended/paid any dividend for the period under review.

**iv) Listing on Stock Exchanges**

Equity Shares of the Company are currently listed on the following Stock Exchanges:

**a. BSE Limited (BSE):** Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001;
**b. National Stock Exchange of India Limited (NSE):** Address: "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Company.

The Annual Listing Fees for the financial year 2024-25 have been paid by the Company to both NSE and BSE where the Company's equity shares are listed.

**v) Payment to Depository**

Annual Custody/Issuer fee for the year 2024-25 has been paid by the Company to CDSL and NSDL.

**vi) Scrip Symbol / Code**

NSE: ORCHPHARMA
BSE: 524372

The ISIN allotted to Equity Shares of the Company is INE191A01027 (with NSDL and CDSL).

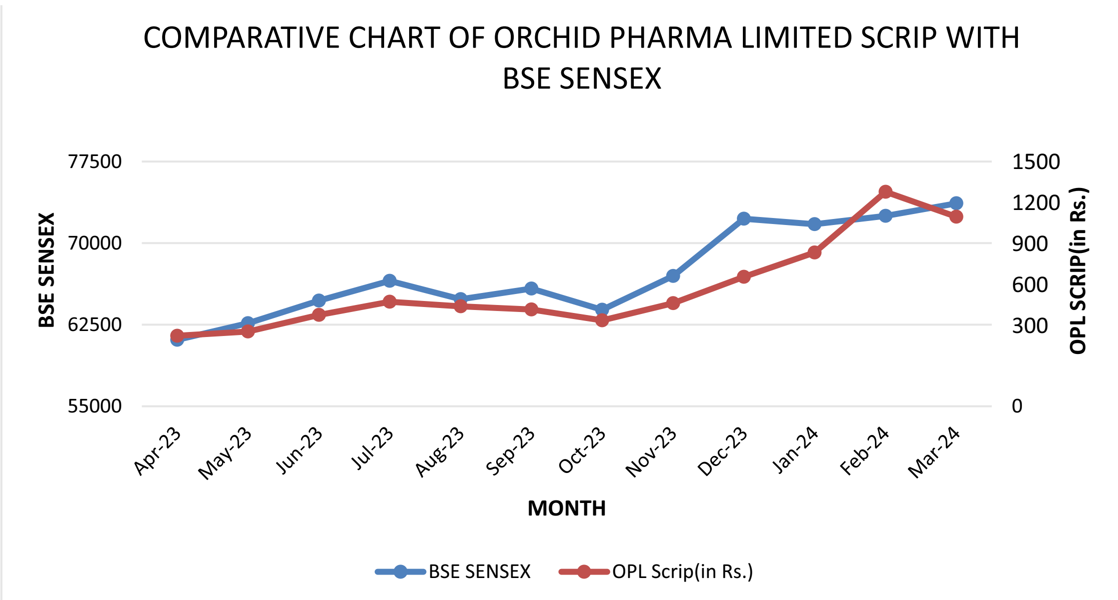
**CIN:** L24222TN1992PLC022994

**vii) Stock Market data**

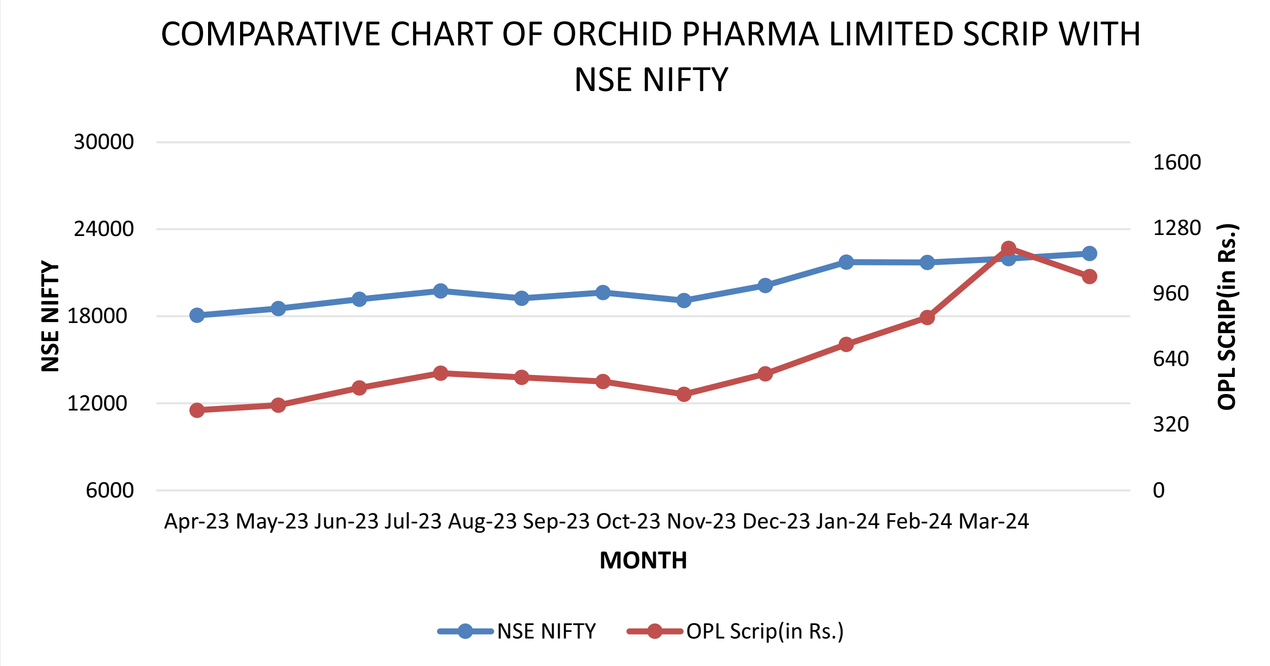
**Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2023-2024 are:**

| Month | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High(Rs) | Low(Rs) | Volume of Shares(Nos) | High(Rs) | Low(Rs) | Volume of Shares(Nos) |
| Apr-23 | 403.50 | 372.65 | 1,47,000 | 400.00 | 371.20 | 9,710 |
| May-23 | 450.00 | 381.35 | 1,79,000 | 449.50 | 385.05 | 96,022 |
| Jun-23 | 524.00 | 408.00 | 5,30,000 | 519.70 | 408.10 | 1,34,559 |
| Jul-23 | 634.80 | 486.20 | 9,86,000 | 630.00 | 489.50 | 5,11,628 |
| Aug-23 | 625.00 | 527.55 | 5,32,000 | 633.00 | 529.55 | 1,59,532 |
| Sep-23 | 577.00 | 500.10 | 7,26,000 | 572.00 | 500.00 | 3,27,971 |
| Oct-23 | 544.85 | 432.05 | 5,42,411 | 539.50 | 432.35 | 1,15,258 |
| Nov-23 | 604.90 | 464.95 | 20,91,932 | 605.00 | 471.45 | 21,55,588 |
| Dec-23 | 749.50 | 556.85 | 91,39,916 | 749.00 | 556.60 | 20,07,875 |
| Jan-24 | 948.70 | 702.75 | 55,12,886 | 948.75 | 702.30 | 5,27,653 |
| Feb-24 | 1,359.95 | 806.25 | 69,95,038 | 1,358.80 | 805.80 | 13,13,093 |
| Mar-24 | 1,228.40 | 952.10 | 25,01,869 | 1,228.70 | 951.55 | 2,06,089 |
| **TOTAL** | | | **2,98,84, 052** | | | **75,64,978** |

**Closing Price**




**Closing Price:**




**EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2024**

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| July 13, 1992 | 70 | 10 | 10 | Cash | Subscription to MoA | 70 |
| November 26, 1992 | 249,930 | 10 | 10 | Cash | Issued on private placement basis | 250,000 |
| February 27, 1993 | 1,451,800 | 10 | 10 | Cash | Issued on private placement basis | 1,701,800 |
| November 04, 1993 | 1,798,200 | 10 | 10 | Cash | Issued on private placement basis | 3,500,000 |
| November 08, 1993 | 2,500,000 | 10 | 10.00 | Cash | Initial public offering | 6,000,000 |
| July 18, 1994 | 350,000 | 10 | 140.00 | Cash | Issued on private placement basis | 6,350,000 |
| July 18, 1994 | 1,00,000 | 10 | 120.00 | Cash | Issued on private placement basis | 64,50,000 |
| July 18, 1994 | 100,000 | 10 | 145.00 | Cash | Issued on private placement basis | 6,550,000 |
| July 18, 1994 | 350,000 | 10 | 141.00 | Cash | Issued on private placement basis | 6,900,000 |
| July 18, 1994 | 300,000 | 10 | 135.00 | Cash | Issued on private placement basis | 7,200,000 |

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| November 01, 1994 | 200,000 | 10 | 200.00 | Cash | Issued to foreign institutional investors on private placement basis | 7,400,000, |
| November 01, 1994 | 50,000 | 10 | 190.00 | Cash | Issued to foreign institutional investors on private placement basis | 7,450,000 |
| November 03, 1994 | 1,000,000 | 10 | 87.70 | Cash | Pursuant to conversion of warrants | 8,450,000 |
| November 03, 1994 | 160,000 | 10 | 175.00 | Cash | Issued on private placement basis | 8,610,000 |
| November 03, 1994 | 25,000 | 10 | 170.00 | Cash | Issued on private placement basis | 86,35,000 |
| November 03, 1994 | 38,000 | 10 | 40.00 | Cash | Issued on private placement basis | 8,673,000 |
| April 21, 1995 | 8,673,000 | 10 | 40.00 | Cash | Rights issue in the ratio of one Equity Share for every one Equity Share held by existing Shareholders | 17,346,000 |
| December 09, 1999 | 10,653,192 | 10 | 154.27 | Cash | Issued to companies on private placement basis | 27,999,192 |
| November 21, 2002 | 4,382,727 | 10 | 220.00 | Cash | Allotment pursuant to conversion of unsecured FCCBs | 32,381,919 |
| March 01, 2005 | 1,750,000 | 10 | 212.18 | Cash | Allotment pursuant to conversion of warrants | 34,131,919 |
| April 27, 2005 | 8,250 | 10 | 243.35 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,140,169 |
| April 27, 2005 | 3,550 | 10 | 252.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,143,719 |
| August 02, 2005 | 44,320 | 10 | 243.35 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,188,039 |
| August 02, 2005 | 15,165 | 10 | 252.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,203,204 |
| August 02, 2005 | 180,000 | 10 | 212.18 | Cash | Allotment pursuant to conversion of warrants | 34,383,204 |
| August 31, 2005 | 185,084 | 10 | 243.35 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,568,288 |

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| August 31, 2005 | 115,592 | 10 | 252.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 34,683,880 |
| August 31, 2005 | 70,000 | 10 | 339.41 | Cash | Allotment pursuant to conversion of warrants | 34,753,880 |
| September 21, 2005 | 17,376,940 | 10 | - | Bonus | Bonus issue in the proportion of one Equity Share for every two Equity Shares held as on the record date being September 17, 2005 | 52,130,820 |
| October 13, 2005 | 105,000 | 10 | 141.46 | Cash | Allotment pursuant to conversion of warrant | 52,235,820 |
| November 02, 2005 | 8,650,000 | 10 | 195.04 | Cash | Allotment pursuant to conversion of GDRs | 60,885,820 |
| November 29, 2005 | 600,000 | 10 | 195.04 | Cash | Allotment pursuant to conversion of GDRs | 61,485,820 |
| December 23, 2005 | 19,424 | 10 | 162.24 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 61,505,244 |
| December 23, 2005 | 225 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 61,505,469 |
| March 01, 2006 | 184,330 | 10 | 243.80 | Cash | Allotment pursuant to conversion of zero coupon FCCBs | 61,689,799 |
| March 07, 2006 | 460,827 | 10 | 243.80 | Cash | Allotment pursuant to conversion of zero coupon FCCBs | 62,150,626 |
| March 20, 2006 | 1,751,146 | 10 | 243.80 | Cash | Allotment pursuant to conversion of zero coupon FCCBs | 63,901,772 |
| March 20, 2006 | 50,000 | 10 | 226.28 | Cash | Allotment pursuant to conversion of warrant | 63,951,772 |
| March 31, 2006 | 652,531 | 10 | 243.80 | Cash | Allotment pursuant to conversion of zero coupon FCCBs | 64,604,303 |
| March 31, 2006 | 6,720 | 10 | 162.24 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 64,611,023 |
| March 31, 2006 | 7,159 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 64,618,182 |

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| April 18, 2006 | 414,744 | 10 | 243.80 | Cash | Allotment pursuant to conversion of FCCBs | 65,032,926 |
| April 28, 2006 | 737,325 | 10 | 243.80 | Cash | Allotment pursuant to conversion of FCCBs | 65,770,251 |
| April 28, 2006 | 2,250 | 10 | 162.24 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,772,501 |
| April 28, 2006 | 1,225 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,773,726 |
| May 31, 2006 | 35,000 | 10 | 226.28 | Cash | Allotment pursuant to conversion of warrants | 65,808,726 |
| May 31, 2006 | 600 | 10 | 162.24 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,809,326 |
| May 31, 2006 | 1,177 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,810,503 |
| May 31, 2006 | 1,238 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,811,741 |
| October 19, 2006 | 4,000 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,815,741 |
| January 19, 2007 | 550 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,816,291 |
| May 03, 2007 | 375 | 10 | 162.24 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,816,666 |
| May 03, 2007 | 210 | 10 | 168.00 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,816,876 |
| May 03, 2007 | 5,500 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,822,376 |
| July 17, 2007 | 5,650 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,828,026 |
| October 18, 2007 | 6,000 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,834,026 |

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of considerati on | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| December 20, 2007 | 3,000 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,837,026 |
| January 17, 2008 | 12,750 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,849,776 |
| January 17, 2008 | 1,000 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 2005 | 65,850,776 |
| April 26, 2008 | 7,400 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,858,176 |
| April 26, 2008 | 1900 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 2005 | 65,860,076 |
| April 26, 2008 | 125 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,860,201 |
| May 29, 2008 | 16,150 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,876,351 |
| May 29, 2008 | 200 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 2005 | 65,876,551 |
| May 29, 2008 | 25 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 65,876,576 |
| August 13, 2008 | 381,000 | 10 | 202.58 | Cash | Allotment pursuant to conversion of warrants | 66,257,576 |
| August 13, 2008 | 3,000 | 10 | 200.44 | Cash | Allotment pursuant to exercise of ESOP Scheme 1999 | 66,260,576 |
| August 13, 2008 | 1,000 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 2005 | 66,261,576 |
| August 29, 2008 | 4,179,000 | 10 | 202.58 | Cash | Allotment pursuant to conversion of warrants | 70,440,576 |
| August 29, 2008 | 1,500 | 10 | 193.25 | Cash | Allotment pursuant to exercise of ESOP Scheme 2005 | 70,442,076 |
| May 17, 2012 | 10,000 | 10 | 166.15 | Cash | Allotment pursuant to exercise of ESOP Scheme 2010 | 70,452,076 |

| Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue/Offer price per Equity Share (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares |
|---|---|---|---|---|---|---|
| December 22, 2014 | 14,809,801 | 10 | 49.79 | Cash | Allotment to promoters on preferential basis as per corporate debt restructuring programme** | 85,261,877 |
| October 09, 2015 | 3,702,450 | 10 | 49.79 | Cash | Allotment to promoters on preferential basis as per corporate debt restructuring programme | 88,964,327 |
| Total: | | | | | | **88,964,327** |
| Pursuant to the CIRP proceeding, Resolution Plan, Supreme Court order dated February 28, 2020, and approval by Monitoring Committee in their meeting held on March 30, 2020 and March 31, 2020, our Company throug h its Board resolution dated March 31, 2020, reduced and consolidated its existing issued, subscribed and paid -up Equity Share capital from ? 889,643,270 consisting of 88,964,327 Equity Shares to ? 4,081,640 consisting of 408,164 Equity Shares, thereby cancelling and extinguishing 88,556,163 Equity Shares. | | | | | | |
| March 30, 2020 | 408,164 | 10 | 10 | Cash | Allotment on preferential basis to eligible secured financial creditors pursuant to conversion (part conversion and settlement) of loan into equity | 816,328 |
| March 31, 2020 | 39,990,072 | 10 | 10 | Cash | Allotment to DLL pursuant to equity infusion as per Resolution Plan on private placement basis | 40,806,400 |
| March 31, 2020 | 10,000 | 10 | 10 | Cash | Allotment to DLL# (sole shareholder of DPPL) pursuant to Resolution Plan | 40,816,400 |
| June 27, 2023 | 9,902,705 | 10 | 403.93 | Cash | Allotment to Qualified Institutional Buyers on Qualified Institutional Placement basis | 50,719,105 |
| | | | | | **Total:** | **50,719,105** |

**viii) Registrar and Share Transfer Agent**

M/s. Abhipra Capital Limited,
Address: Abhipra Complex, A-387,
Dilkhush Industrial Area, GT Karnal Road,
Azadpur New Delhi-110033
Email : rta@abhipra.com
Website : www.abhipra.com

**ix) Share Transfer System**

The Company has appointed M/s. Abhipra Capital Limited as the Registrar and Share Transfer Agent. The Company's Equity share being in compulsory Demat list, are transferable through the depository system.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Further, SEBI vide its circulars dated 20th April, 2018 read with circular dated November 03, 2021, November 17, 2023, December 27, 2023, June 10, 2024 and Master Circular for RTAs dated May 07, 2024 has mandated to submit the PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature details by all shareholders to the Registrar and Transfer Agent of the Company.

In view of the above, SEBI has directed all listed entities to intimate the physical securities holders in the listed companies to furnish PAN, Nomination, Contact Details, Bank A/c details and specimen signature for their corresponding folios. The Company have sent notices to the shareholders for submission of their PAN, Nomination, Contact Details, Bank Account details for registration / update in the prescribed formats. All applicable prescribed forms are available under section" Investor Documents" on the Following link:

http://www.orchidpharma.com/invr_corporategovernance.html

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

a. **For shares held in electronic form**: to their Depository Participants (DPs)

b. **For shares held in physical form**: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024.

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may submit the prescribed Form

SH-13 and any change or variation in the nomination in prescribed form SH-14. Form SH-13 and SH-14 may be downloaded from the website of the Company i.e. http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-13.pdf and http://www.orchidpharma.com/downloads/InvestorDocuments/Form_No._SH-14.pdf

Members holding shares in dematerialized form may submit the prescribed Form in Annexure- A, as specified in SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 and the same may be downloaded from the website of the Company i.e http://www.orchidpharma.com/downloads/InvestorDocuments/Annexure

-A_Nomination%20Form%20for%20Demat%20Account%20Holders.pdf

In compliance with regulation 40(9) of the SEBI Listing Regulations, the Company obtains a certificate from a practicing Company Secretary at the end of the financial year certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies. A copy of the certificate, so received, is submitted to the stock exchange(s). The Company has received no request for transmission of share during the year. The Company is not accepting any new request for effecting transfer of securities in physical mode. The transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Therefore, the shareholders of the Company are requested to get their physical shares dematerialised for any further transfers.

**x) Distribution of Shareholding as on March 31, 2024**

| S. No. | No. of equity shares | No. of shareholders* | % of Shareholders | No. of shares | % of Shareholding |
|---|---|---|---|---|---|
| 1 | Upto 100 | 33163 | 88.553 | 472012 | 0.931 |
| 2 | 101 – 500 | 3008 | 8.032 | 717028 | 1.414 |
| 3 | 501 – 1000 | 639 | 1.706 | 483032 | 0.952 |
| 4 | 1001 – 2000 | 273 | 0.729 | 399960 | 0.789 |
| 5 | 2001 – 5000 | 193 | 0.515 | 621425 | 1.225 |
| 6 | 5001 – 10000 | 64 | 0.171 | 461181 | 0.909 |
| 7 | 10001 – 20000 | 43 | 0.115 | 639897 | 1.262 |
| 8 | 20001 – 30000 | 23 | 0.061 | 606336 | 1.195 |
| 9 | 30001 – 40000 | 7 | 0.019 | 244642 | 0.482 |
| 10 | 40001 – 50000 | 3 | 0.008 | 140400 | 0.277 |
| 11 | 50001 - 100000 | 9 | 0.024 | 674706 | 1.330 |
| 12 | 100001 - 500000 | 18 | 0.048 | 3838625 | 7.568 |
| 13 | Above 500000 | 7 | 0.019 | 41419861 | 81.665 |
| | **Total** | **37,450** | **100.00** | **50719105** | **100.00** |

**No. of Shareholders are categorised based on the Folio.*

### xi) Dematerialization of Shares and Liquidity

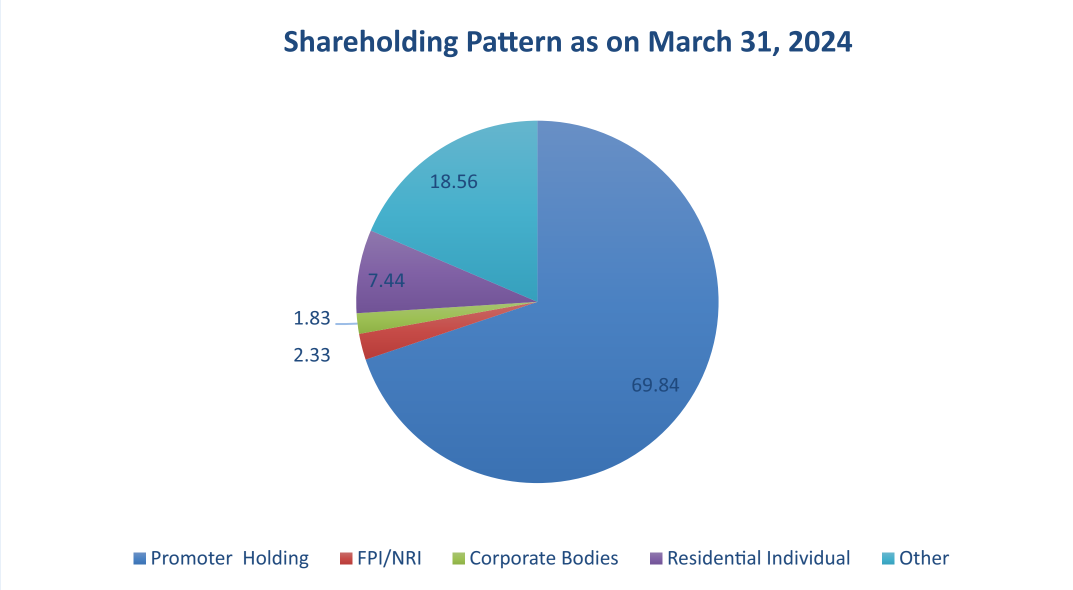
The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2024, 5,07,15,590 Equity Shares of the Company, forming 99.99% of the total issued and paid up Equity Share Capital of the Company, were in dematerialized form with 4,04,62,226 at CDSL and 1,02,53,364 at NSDL. All the requests for nomination, change of address, change of Bank mandate/ Bank particulars and dematerialization of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.

### xii) Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary Carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### xiii) Shareholding Pattern as on March 31, 2024

| | Category | No. of Shares held | % of Shareholding |
|---|---|---|---|
| **A** | **PROMOTER HOLDING** | | |
| | Promoters/Promoter Group | | |
| | (a)Indian | 3,54,19,957 | 69.84 |
| | (b)Foreign | - | - |
| | **Sub - Total (1)** | **3,54,19,957** | **69.84** |
| **B** | **NON - PROMOTER HOLDING** | | |
| **B1** | **Institutional Investors** | | |
| | (a) Mutual Funds | 76,97,322 | 15.18 |
| | (b)Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non - government Institutions) and Limited Liability Partnerships | 12,95,907 | 2.55 |
| | (c)Foreign Portfolio Investors | 994085 | 1.96 |
| | **Sub - Total (2)** | **9987314** | **19.69** |
| **3** | **OTHER INVESTORS** | | |
| | (a) Corporate Bodies | 929870 | 1.83 |
| | (b) Indian Public (Resident Individuals) | 3773735 | 7.44 |
| | (c ) Non Resident Indians / Overseas Corporate Bodies | 188659 | 0.37 |
| | (d) Foreign Companies | 68 | 0 |
| | (e)IEPF | 567 | 0 |
| | (f) Trusts | 271474 | 0.54 |
| | (g) HUF | 146915 | 0.29 |
| | (h) Stock Broker Margin Funding AC | 69 | 0 |
| | (i) Clearing Members | 477 | 0 |
| | (j) Overseas depository/GDR /Others | 0 | 0 |
| | **Sub - Total (3)** | **5311834** | **10.47** |
| | **GRAND TOTAL (1+2+3)** | **50719105** | **100.00** |




**xiv) Unclaimed Dividends & transfer of shares**

The Company has not declared any dividend after the financial year 2011-12 and hence transfer of unclaimed dividend amount to IEPF does not arise during the financial year 2023-24. During the Financial year 2023-2024, the Company has transferred Nil equity shares to the Investor Education and Protection Fund Authority pursuant to Section 124(6) read with 125 of the Companies Act, 2013 and the Companies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (amended from time to time). Further, the Company has uploaded the details of the same on its website for the information of the shareholders.

The Shareholders can get back the unpaid dividend/claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website http://www.iepf.gov.in/IEPF/corporates.html along with the requisite documents. Upon filing the said e-form the shareholder shall write to the Company/ Registrar for completing the other procedural formalities in this regard.

**xv) Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any other Convertible instruments, conversion date and likely impact on equity**

The Company has no outstanding ADR/GDR as on March 31, 2024.

As per the approved Resolution plan, your Company has issued 14,300 Zero Coupon, unsecured, Optionally Convertible Non-marketable Debentures of Rs.1,00,000/- aggregating to Rs.143 Crores to M/s. Dhanuka Laboratories Limited. The tenor of the OCDs shall be Ten (10) years or such further period as may be mutually discussed between the Company and OCDs holder. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCD holders shall be entitled to redemption premium of at least 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company and the achievement of EBIDTA; However in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further, there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender. The OCD holder, any time during the tenor shall have the right to convert whole or any part of OCDs into equity shares of Rupees 10/- each at par of Company (“OCD Conversion shares”) and accordingly, each OCD of Rupees One Lakh will be converted into 10,000 equity shares having face value of Rs.10 each (“OCD Conversion ratio”).

**xvi) Disclosures with respect to Equity Shares in the Suspense Account**

There are no outstanding shares lying in the suspense account as on March 31, 2024. Additionally, the Company is not required to transfer any share to Suspense Account.

**xvii) Plant Locations:**

**a) Active Pharmaceutical Ingredient Facilities & R&D Block Alathur Works**

Plot Nos. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial, Alathur, Chengalpattu-603110, Tamil Nadu, India.

**b) Formulations (Finished Dosage Form) Facilities**

I) A10 & A11, SIDCO Industrial Estate Alathur, Thiruporur Taluk, Chengalpattu District, PIN - 603 110, Tamil Nadu, India

II) Plot No. 62 & 77, SIDCO Industrial Estate, Alathur, Thiruporur Taluk, Chengalpattu District, PIN 603 110, Tamil Nadu, India

**c) Additional places of Business**

i) Plot Nos. A10 and A11, Orchid Healthcare - A Division of Orchid Pharma Limited, SIDCO Industrial Estate, Alathur, Chengalpattu, Tamil Nadu, 603110

ii) B77, Orchid Healthcare - A Division of Orchid Pharma Limited, Sidco Industrial Estate, Alathur, Chengalpattu, Tamil Nadu, 603110

iii) 85-87,98-100,126-131,138-151,159-164, Orchid Pharma Limited, SIDCO Industrial Estate, Alathur, Chengalpattu, Tamil Nadu, 603110

iv) 15th Floor, Tower-1, DLF Corporate Greens, Sector-74A, Gurugram, Haryana-122004

v) Village Atta, Sohna Road Mandkola, The Nuh, Sohna Industrial Area, Haryana-122103

**xviii) Credit Rating and Change /Revision in Credit Rating of the Company during the Financial Year 2023-24**

During the Financial Year 2023-2024, CARE (CARE Ratings Ltd) had revised/assigned the Credit Rating of the following instruments:

| Rating Agency | Revision Period | Instrument Type | Amount (Rs. In Crores) | Revised rating/outlook/Assigned | Rating action |
|---|---|---|---|---|---|
| CARE Ratings Limited | Nov, 2023 | Long term bank facilities | 70 .00 | CARE A- ; Stable | Assigned |
| | | Long term bank facilities | 65.00 (Reduced from 75 .00) | CARE A- ; Stable | Revised from CARE BBB; Stable |
| | | Long Term/ Short Term bank facilities | 75 .00 | CARE A - ; Stable / CARE A2 | Revised from CARE BBB; Stable / CARE A3+ |
| | | Short term bank facilities | 84.00 (Reduced from 99.00) | CARE A2 | Revised from CARE A3+ |
| | | Long Term bank facilities | - | - | Withdrawn |
| | Dec, 2023 | Long Term Bank Facilities | 135.00 | CARE A - (RWD) | Placed on Rating Watch with Developing Implications |
| | | Long Term/ Short Term Bank Facilities | 75.00 | CARE A - / CARE A2 (RWD) | Placed on Rating Watch with Developing Implications |
| | | Short Term Bank Facilities | 84.00 | CARE A2 (RWD) | Placed on Rating Watch with Developing Implications |

## INVESTOR CONTACTS

### i) Address for Correspondence with the Company

**Details of Compliance Officer**
Mr. Kapil Dayya
Company Secretary
Plot Nos. 121-128, 128A-133, 138- 151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu
Dist.- 603110, Tamil Nadu, India
E-mail: cs@orchidpharma.com
Website: www.orchidpharma.com

### ii) For Securities held in Physical form

M/s. Abhipra Capital Limited,
Address: Abhipra Complex, A-387,
Dilkhush Industrial Area, GT Karnal Road,
Azadpur New Delhi-110033
Email: rta@abhipra.com
Website: www.abhipra.com

### iii) For Securities held in Demat form

To the Investors' Depository Participant (s) and/or M/s. Abhipra Capital Limited

## OTHER DISCLOSURES

### i) Materially Significant Related Party Transaction

Transactions with the Related Parties has been disclosed in the Notes to the Financial Statements for F.Y. 2023-24, also the Company has submitted a report on all related party transactions entered into by the Company on consolidated basis on half yearly periodicity as per the format prescribed in the relevant accounting standards to NSE and BSE within prescribed timeline of publication of the standalone and consolidated Financial Results.

The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a "Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT" and the same has been uploaded on the website of the Company and can be accessed at
http://www.orchidpharma.com/downloads/RPT.pdf

All the contract/arrangements/transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI Listing Regulations during the Financial Year 2023-24 were in ordinary course of business and on an arm's length basis and do not attract provisions of Section 188 of the Act. The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis.

Further, the details of material transactions with the related parties at arm's length basis during the year is disclosed in Form – AOC – 2 annexed to the Board' Report of this Annual Report.

**Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

I. During the Financial year 2019-2020, there was a delay in compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015 as the Company was unable to appoint the Company Secretary within the stipulated timelines and hence a fine of Rs.75, 520/- by the NSE Limited and Rs.75,520/- by BSE Limited in this regard was imposed during the financial year 2020-2021. The above fines have been remitted by the Company to the Stock exchanges. The Company had made necessary representations to NSE and BSE for the waiver imposed and during the year under review, BSE Limited has waived off the fine imposed towards non- compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015;

II. Pursuant to implementation of the Resolution Plan approved by Hon'ble National Company Law Tribunal under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Company was required to bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India.

In an effort to maintain minimum public shareholding at 25%, the Company made an offer for sale, in which the promoter of the Company, i.e., Dhanuka Laboratories Limited, sold 32,80,115 equity shares, representing 8.04% of equity shareholding in the Company in the year 2021. After the offer for sale, the promoter of the Company held 90% of the equity shares, bringing the public shareholding to 10% within 18 months from the date of acquiring the Company.

Further, the Company initiated the process of raising capital by qualified institutional placement to meet the condition of Minimum Public Shareholding of 25% by issuing additional shares though QIP. However due to poor market conditions the same could not be achieved as on March 31, 2023.

In view of the above, the Company had submitted application to SEBI and National Stock Exchange of India Limited and BSE Limited (*collectively herein referred as* Stock Exchanges) under Regulation 102 of the SEBI Listing Regulations along with applicable fee and requested for extending the timeline by one year to meet the MPS requirement. However, Stock Exchanges vide its letters dated April 20, 2023 initiated the action to freeze the shareholding of Promoters as SEBI Circular No. CFD/CMD/CIR/P/2017/115 dated October 10, 2017, for non-compliance in meeting the minimum public shareholding requirement laid under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further directed the Promoters, Promoter Group and Directors of the Company not to hold any new position as director in any other listed entity till the date of compliance.

As per the aforesaid SEBI Circular, the Stock Exchanges levied penalty of Rs. 5,000/- plus GST on the Company for period ended March 31, 2023. Further, the Stock Exchanges vide their letter dated July 06, 2023, has levied penalty of Rs. 5,19,200/- towards non-compliance for a period commencing from April 01, 2023 till June 26, 2023. The Company paid the same.

However, the Board of Directors at its meeting held on June 27, 2023, approved the allotment of 99,02,705 Equity Shares on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act, 2013. Pursuant to the aforementioned allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹ 50,71,91,050 comprising of 5,07,19,105 Equity Shares. **Consequently, the Promoter Shareholding in the Company stands decreased from 89.96% to 72. 40% whereas the Public shareholding increased from 10.04% to 27. 60% *w.e.f.* June 27, 2023.**

The Company is in compliance with the requirement of Minimum Public Shareholding as per Regulation 38 of SEBI LODR Regulations read with Rule 19A (5) of SCRA Rules *w.e.f.* June 27, 2023.

**ii) Vigil Mechanism and Whistle Blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism in the form of Whistle Blower Policy (“Policy or Mechanism”) for directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information. The Policy is applicable to all the Directors of the Company, permanent & contractual employees of the Company based in India or outside, employees of other agencies deployed for the company, contractors, vendors, suppliers or agencies (or any of their employees), customers of the Company and any other person having an association with the Company. The Policy also provides for adequate safeguards against victimization of director(s) / employee(s) who avail the Policy and also provide for direct access to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

The Whistle blower Policy adopted by the Company may be accessed at
http://www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf

**iii) Commodity price risk, Foreign Exchange Risk and Hedging Activities**

A significant part of the Orchid's revenue, costs, assets and liabilities are denominated in foreign currencies. Further, the Company does not have any significant exposure in commodities directly and does not carry out any commodity hedging activities. However, Unhedged trade and financial exposure thus creates potential to adversely impact its operations and overall profitability.

**iv) Dividend Distribution Policy:**

The Company has adopted a Dividend Distribution (Policy) which defines the financial parameters and factors, be considered for declaration and payment of dividend to its shareholders. The declaration and distribution of dividends, whether interim or final, will at all times, be in accordance with the Act and SEBI Listing Regulations, such other applicable laws and Article of Association of the Company as amended.

The Dividend Distribution Policy of the Company is posted on the website of the Company i.e. http://www.orchidpharma.com/downloads/Dividend%20Distribution%20policy.pdf. There has been no change in the said Policy during the Financial Year ended March 31, 2024.

**v) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations**

Pursuant to Sections 23, 42, 62 of the Companies Act, 2013, the rules framed thereunder and all relevant provisions of the Memorandum and Articles of Association, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Listing Regulations, as amended, the Board of Directors at its meeting held on December 01, 2022 approved to raise funds through issuance of Equity Shares of the Company for a Face Value of Rs. 10/- each, in one or more tranches, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem appropriate, on Qualified Institutional Placement (QIP) basis, for an aggregate amount not exceeding Rs. 500 Cr. (Rupees Five Hundred Crores only) to eligible Qualified Institutional Buyers.

In the matter, the shareholders passed a special resolution at the extra-ordinary general meeting of the Company held on December 29, 2022 and approved the QIP process. The Company launched Preliminary Placement Document and Placement Document on June 22, 2023 and June 27, 2023 respectively.

The Company obtained In-Principle approval on June 22, 2023 and consequently, the Board of Directors at its meeting held on June 27, 2023, approved the allotment of 99,02,705 Equity Shares on Qualified Institutional Placement basis in accordance to the SEBI (Issue of Capital and Disclosure Requirement) Regulations read with applicable provisions of Companies Act, 2013. Pursuant to the aforementioned allotment of Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 408,164,000 comprising of 40,816,400 Equity Shares to ₹50,71,91,050 comprising of 5,07,19,105 Equity Shares.

Further, the Company obtained Listing and trading approval on the aforesaid allotment of equity shares on June 30, 2023.

The information w.r.t the utilisation of funds raised through QIP, in accordance with Regulation 32(7A) of SEBI Listing Regulations, as certified by the Statutory Auditors of the Company, forms part of the Audited Financial Results declared by the Company for the period ended on March 31, 2024 of F.Y. 2023-24 and same has been submitted to the Stock Exchanges with availability on the website of the Company at below link:
http://www.orchidpharma.com/invr_financial.html

**vi) Certificate from Company Secretary in Practice for Non-disqualification of Directors**

A certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, issued by Company Secretary in Practice forms part of this Annual Report.

**vii) If the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, disclosure thereof**
There were no instances where the Board had not accepted any recommendation of any committees during the financial year.

**viii) Total Fees for all Services paid by the Company and its Subsidiaries on consolidated basis to Statutory Auditors and all entities in the Network Firm/Network Entity of which the Statutory Auditor is a part**

During the year under review, the total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditors are as follows:

| Particulars | For the Year ended March 31, 2024 | For the Year ended |
|---|---|---|
| As Auditor: | | |
| Audit Fees | 14.50 | 16.50 |
| For issuing limited review reports | 7.50 | 7.50 |
| Tax Audit Fees | 2.00 | 2.00 |
| In other Capacity: | | |

| Particulars | For the Year ended March 31, 2024 | For the Year ended |
|---|---|---|
| Fees For Other Services (*Primarily include certification services*) | 8.00 | 9.25 |
| For Reimbursement of Expenses/Out of pocket expenses | - | - |
| **Total** | **32.00** | **35.25** |

*Note: Payment towards the certification services of QIP of Rs. 23.50 lacs was not included above and deducted from the share premium account.*

Further, other than stated above, no payment of fees for any service has been paid to the Statutory Auditors or entities in the Network Firm/Network Entity of which the Statutory Auditor is a part.

**ix) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In accordance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, no complaints were filed with the Internal Compliant Committee of the Company during the F.Y. 2023-24 and also nil complaints were pending for resolving at the beginning of the period. Therefore, no disposal of complaints were required and nothing is pending as unresolved at the end of the F.Y. 2023-24

**x) Disclosure by Listed Entity and its subsidiaries of "Loan and advances" in the nature of Loans to Firms/ Companies in which Directors are interested**

During the period under review, the Company had given no loans and advances to firms/companies in which the Directors of the Company are interested except to Orchid Bio Pharma Limited, its wholly owned subsidiary. The details w.r.t the Loans/Advances given to the Orchid Bio-Pharma Limited is available at Note 15 of the Standalone Financial Statements of the Company for the F.Y. 2023-24.

Also, Orchid Bio-Pharma Limited (Wholly Owned Subsidiary of the Company), has given loan/s of Rs. 8,65 Lakhs to Company (Orchid Pharma Limited) and same had been re-paid prior to the closure of this financial year.

**xi) Details of Compliance with Mandatory Requirements**

The Company has complied with the mandatory requirements of Corporate Governance as require under SEBI Listing Regulations for the financial year 2023-2024 and the same has been certified by the Practicing Company Secretary vide his certificate forming part of this Annual Report.

**xii) Details of Adoption of Non-Mandatory requirements**

The Company has adopted the non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the SEBI Listing Regulations in following manner.

**a) The Board**

The Office of Non-Executive Chairman is maintained by the Company at its expenses and all the expenses incurred in performance of his duties are reimbursed by the Company.

**b) Shareholder Rights**

The quarterly results of the company are published in one English and one Vernacular newspaper having wide circulation in Tamil Nadu, normally Financial Express and Makkal Kural. Further, the quarterly results are also posted on the website of the Company at http://www.orchidpharma.com/invr_financial.html and on the websites of the Stock Exchanges with which the Company is listed.

In view of the foregoing, the quarterly/half-yearly results of the company were not sent to the shareholders individually. The complete copy of the Annual Report is sent to the shareholders of the Company. Further, the Company also publish the other important notices/information in English newspaper (Financial Express) and a Tamil newspaper (Makkal Kural), besides uploading the same on the website of the Company.

**c) Modified Opinion(s) in Audit Report**

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. The modified opinion may be referred to in Independent Auditors' Report on the Consolidated Financial Statements for the financial Year 2023-2024 due to certain uncontrollable reasons and the Statement of Impact of Audit Qualification forms the part of Financial Statements annexed to this Annual Report.

**d) Reporting of Internal Auditor**

The internal auditors of the Company make presentations on quarterly basis directly to the Audit Committee.

**xiii) Disclosure of Compliance on Requirements of para (2) to (10) of Schedule V, Part C of Listing Regulations, 2015**

The Company has complied with the mandatory requirements as specified in sub-para (2) to (10) of schedule V, Part C of Listing Regulations, 2015.

**xiv) Disclosure of compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015**

The Company has complied with the Corporate governance requirement as specified in regulation 17 to 27. Further, the disclosures w.r.t to clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015 has been duly complied as given hereunder:

| PARTICULARS | COMPLIANCE STATUS (Yes/No/NA) |
|---|---|
| Details of business | Yes |
| Terms and conditions of appointment of independent directors | Yes |
| Composition of various committees of board of directors | Yes |
| Code of conduct of Board of directors and Senior management personnel | Yes |
| Details of establishment of vigil mechanism/Whistle - Blower policy | Yes |
| Criteria of making payments to Non - Executive Directors | Yes |
| Policy on dealing with related party transactions | Yes |
| Policy for determining 'material' subsidiaries | Yes |
| Details of familiarization programmes imparted to independent directors | Yes |
| Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances | Yes |
| E-mail address for grievance Redressal and other relevant details | Yes |
| Financial results | Yes |
| Shareholding pattern | Yes |
| Details of agreements entered into with the media companies and/or their associates | NA |
| New name and the old name of the listed entity | NA |
| Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange | Yes |
| Advertisements as per regulation 47 (1) | Yes |
| Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments | Yes |
| Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year | Yes |
| Whether company has provided information under separate section on its website as per Regulation 46(2) | Yes |
| Materiality Policy as per Regulation 30 | Yes |
| Dividend Distribution policy as per Regulation 43A | Yes |

**xv) Management Discussion and Analysis Report**

The Management Discussion and Analysis report forms part of the Annual Report.

**xvi) Certificate on Corporate Governance**

As required by Regulation 34(3), Schedule V (E) of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from a Practicing Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this Report.

**xvii) CEO/ CFO Certification**

The certificate duly signed by the Managing Director and Chief Financial Officer confirming compliance of the Company pursuant to Regulation 17 (8) read with Part B of Schedule II of the SEBI Listing Regulations was placed before the Board and taken note at its meeting and the same is annexed to this Report.

**xviii) Code of Conduct**

In compliance with Regulation 17 of the SEBI Listing Regulations, the Board of Directors has laid down a Code of Conduct ("the Code") for Board members and Senior Management Personnel of your Company. Independent Directors shall also ensure compliance with Code for Independent Directors formulated in accordance with Schedule IV of the Act and the Listing Regulations.

The Code is posted on your Company's website
http://www.orchidpharma.com/downloads/codeofconduct/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20.pdf

An annual declaration affirming compliance with the Code of Conduct is obtained from every person covered by the Code of Conduct. A declaration signed by the Managing Director is attached and forms part of this Report.

**xix) Disclosure of Certain Types of Agreements Binding Listed Entities**

Except the agreements entered in the normal course of business, Orchid has not entered into as a party to any agreement/s and is not aware about the existence of any agreements which have been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

**xx) Procedures for fair disclosure of Unpublished Price Sensitive Information and Prevention of Insider Trading**

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") and Code of Conduct for Prevention of Insider Trading ("Insider Code") with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, Employees of the Company / Designated Persons and Connected Persons. The Company Secretary is Compliance Officer for the purpose of Insider Code. Both the Fair Practice Code and Insider Code have been posted on the website of the Company on the following links http://www.orchidpharma.com/invr_corporategovernance.html.

The Company has implemented an application for monitoring the Insider Trading and to track the flow of information regarding the Unpublished Price Sensitive Information, wherever required, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members
**ORCHID PHARMA LIMITED**
CIN: L24222TN1992PLC022994
Plot Nos. 121-128, 128A-133, 138-151, 159-164
SIDCO Industrial Estate, Alathur, Chengalpattu
Dist.- 603110, Tamil Nadu, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Orchid Pharma Limited** having **CIN: L24222TN1992PLC022994** and having registered office at 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu, Dist.- 603110, Tamil Nadu, India (hereinafter referred to as **'the Company'**), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal (https://www.mca.gov.in/content/mca/global/en/home.html ) In our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director | Director Identification Number (DIN) | Date of Appointment in Company * |
|---|---|---|---|
| 1. | Mr. Ram Gopal Agarwal | 00627386 | March 31, 2020 |
| 2. | Mr. Manish Dhanuka | 00238798 | March 31, 2020 |
| 3. | Mr. Mridul Dhanuka | 00199441 | March 31, 2020 |
| 4. | Mr. Arjun Dhanuka | 00454689 | October 20, 2023 |
| 5. | Mr. Manoj Kumar Goyal | 06361663 | June 29, 2020 |
| 6. | Mr. Mudit Tandon | 06417169 | June 29, 2020 |
| 7. | Dr. Dharam Vir | 08771224 | June 29, 2020 |
| 8. | Ms. Tanu Singla | 08774132 | June 29, 2020 |

***The date of appointment is as per the MCA Portal.***

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended March 31, 2024.

**For Brajesh Kumar & Associates**
Company Secretaries

Sd/-
**Brajesh Kumar**
**M. No. F6965 | CP: 7497**
**Peer Review no. 5461/2024**
**ICSI UIN: S2007DE093900**
**UDIN:F006965F000733438**

Place: New Delhi
Date: July 13, 2024

# CORPORATE GOVERNANCE CERTIFICATE

**Certificate on Compliance with the conditions of Corporate Governance as stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended)**

To
The Members
Orchid Pharma Limited
CIN: L24222TN1992PLC022994
Plot Nos. 121-128, 128A-133, 138-151,
159-164, SIDCO Industrial Estate, Alathur
Chengalpattu Dist.- 603110, Tamil Nadu, India

This certificate is being issued to Orchid Pharma Limited **("the Company")**, on compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2), and para C, D, and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (collectively referred to as **'SEBI Listing Regulations, 2015'**) **('applicable criteria')** with respect to Corporate Governance for the financial year ended March 31, 2024.

**Management Responsibility:**

Compliance with the conditions of Corporate Governance as stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) is the responsibility of the Management along with the Board of Directors of the Company.

**Our Responsibility:**

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the financial year ended March 31, 2024.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management along with the Board of Directors of the Company, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable on the Company for the financial year ended March 31, 2024.

**Other Matters and Restrictions on use:**

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Brajesh Kumar & Associates**
Company Secretaries

Sd/-
**Brajesh Kumar**
**M. No. F6965 | CP: 7497**
**Peer Review no. 5461/2024**
**ICSI UIN: S2007DE093900**
**UDIN: F006965F000733493**

**Place: New Delhi**
Date: July 13, 2024

# MD / CFO CERTIFICATION

{*Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015*}

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Orchid Pharma Limited ("the Company") certify that:

(a) We have reviewed the audited financial statements for period ended March 31, 2024 and to the best of our knowledge and belief:

(I) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period ended March 31, 2024, which are fraudulent, illegal or violative of the company's Code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee:

(1) That there are no significant changes in internal control over financial reporting during the period ended March 31, 2024;

(2) That there are no significant changes in accounting policies during the period ended March 31, 2024 and that the same have been disclosed in the notes to the financial statements; and

(3) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| | Sd/- | Sd/- |
| **Place: Gurugram** | **Manish Dhanuka** | **Sunil Kumar Gupta** |
| **Date: May 23, 2024** | **Managing Director** | **Chief Financial Officer** |
| | **DIN: 00238798** | |

# CODE OF CONDUCT CERTIFICATION

This is to certify that Orchid Pharma Limited ("Company") has laid down a Code of Conduct ("Code") for all Board Members and Senior Management Personnel of Company and a copy of the Code is also uploaded on the website of the Company viz. www.orchidpharma.com .

It is further certified that that all Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code for the year ended March 31, 2024, as envisaged in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sd/-
**Manish Dhanuka**
**Managing Director**
**DIN : 00238798**

**Place: Gurugram**
**Date: May 23, 2024**

# Annexure - II
# Business Responsibility and Sustainability Report

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the Listed Entity**

| S. No. | Required Information | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L24222TN1992PLC022994 |
| 2 | Name of the Listed Entity | M/s Orchid Pharma Limited |
| 3 | Year of incorporation | 01-07-1992 |
| 4 | Registered office address | Plot No. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur, Chengalpattu, Alathur Industrial Estate, Kanchipuram, Chengalpattu, Tamil Nadu – 603110 |
| 5 | Corporate address | - |
| 6 | E-mail | cs@orchidpharma.com |
| 7 | Telephone | (91)-44- 2744 4471 |
| 8 | Website | www.orchidpharma.com |
| 9 | Financial year for which reporting is being done | 31st March, 2024 |
| 10 | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited (BSE)<br>2. The National Stock Exchange of India Ltd. (NSE) |
| 11 | Paid-up Capital | Rs. 50,71,91,050 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Kapil Dayya, Company Secretary & Compliance officer, cs@orchidpharma.com, (91)-44- 2744 4471 |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The report is prepared on the standalone basis |
| 14 | Name of assurance Provider | Not Applicable |
| 15 | Type of assurance obtained | Not Applicable |

**II. Products/Services**

16 Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Integrated API manufacturing with wide portfolio of cephalosporin (Both sterile and oral) | 99.48% |

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Pharmaceutical products | 21001 | 99.48% |

**III. Operations**

18 Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of Plants | Number of offices | Total |
|---|---|---|---|
| National | 3 | 2 | 5 |
| International | 0 | 0 | 0 |

19 Markets Served by the entity

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 13 |
| International (No. of countries) | 60 |

| | | |
|---|---|---|
| b. | What is the contribution of exports as a percentage of the total turnover of the entity? | 81% |
| c. | A brief on type of customers | The company sells products on a purchase-order basis to the manufacturers of Finished Dosage form drug. They belongs to countries of EUROPE, UK, US , Japan etc. Customer from rest of the world also getting business with different specifications. |

**IV. Employees**

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | EMPLOYEES | | | | | |
| 1. | Permanent (D) | 871 | 846 | 97% | 25 | 3% |
| 2. | Other than Permanent (E) | 52 | 50 | 96% | 2 | 4% |
| 3. | Total employees (D + E) | 923 | 896 | 97% | 27 | 3% |
| | WORKERS | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0% | 0 | 0% |
| 5. | Other than Permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | Total workers (F + G) | 0 | 0 | 0% | 0 | 0% |

b. Employees and workers (including differently abled):

| S. No | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | DIFFERENTLY ABLED EMPLOYEES | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | Total differently abled employees (D + E) | 1 | 1 | 100% | 0 | 0% |
| | DIFFERENTLY ABLED WORKERS | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0% | 0 | 0% |
| 5. | Other than permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | Total differently abled workers (F + G) | 0 | 0 | 0% | 0 | 0% |

21 Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8 | 1 | 13% |
| Key Management Personnel* | 4 | 0 | 0% |

** Company was having one female key managerial personnel (Company Secretary) till December, 2023.*

| 22 | Turnover rate for permanent employees and workers (Disclose trends for the past 3 years) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
| | | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| | Permanent Employees | 20.80% | 25.45% | 20.93% | 20.02% | 24.14% | 20.15% | 31.33% | 42.25% | 31.70% |
| | Permanent Workers | NA | NA | NA | NA | NA | NA | NA | NA | NA |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

| 23 | Name of holding / subsidiary / associate companies / joint ventures | | | | |
|---|---|---|---|---|---|
| | S.No. | Name of the holding / subsidiaries / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
| | 1 | Dhanuka Laboratories Ltd. - Incorporated in India | Holding company | 69.84%* | No |
| | 2 | Orchid Bio-Pharma Limited - Incorporated in India | Wholly owned subsidiary | 100% | No |
| | 3 | Orchid Pharmaceuticals Inc. - Incorporated in USA | Wholly owned subsidiary | 100% | No |
| | 4 | Orgenus Pharma Inc. - Incorporated in USA | Step-down subsidiary | 100% | No |
| | 5 | Orchid Pharma Inc./ Karalex Pharma LLC, USA - Incorporated in USA | Step-down subsidiary | 100% | No |
| | 6 | Bexel Pharmaceuticals Inc. - Incorporated in USA | Wholly owned subsidiary | 100% | No |
| | 7 | Diakron Pharmaceuticals Inc. - Incorporated in USA | Subsidary | 76.65% | No |
| | 8 | Orbion Pharmaceuticals Private Limited - Incorporated in India | Associate | 26.00% | No |

** The Company vide its Board Resolution dated June 27, 2023 allotted 99,02,705 equity shares to Qualified Institutional Buyer consequent to which the percentage of share held by Dhanuka Laboratories Limited decreased from 89.96 to 72.40. Further, the percentage of share held by the Dhanuka Laboratories Limited decreased to 69.84 after the sale of 13,00,000 shares by the promoter company.*

**VI. CSR Details**

| 24 | | | |
|---|---|---|---|
| | (i) | Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes |
| | (ii) | Turnover (in Rs.) | 819.37 crores |
| | (iii) | Net worth (in Rs.) | 1218.32 crores |

**VII. Transparency and Disclosures Compliances**

| 25 | Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|---|---|
| | | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Communities | Yes, http://www.orchidpharma.com/downloads/Stakeholder%20Engagement%20Policy.pdf http://www.orchidpharma.com/downloads/Environmental,%20Social%20and%20Governance%20Policy.pdf | - | - | - | - | - | - |
| | Investors (other than shareholders) | Yes, http://www.orchidpharma.com/downloads/Stakeholder%20Engagement%20Policy.pdf | 8 | 8 | - | - | - | - |
| | Shareholders | Yes, https://smartodr.in/login | 1 | 0 | - | 1 | 1* | - |
| | Employees and workers | Yes, http://www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf | 0 | NA | - | Nil | NA | - |
| | Customers | Yes, http://www.orchidpharma.com/downloads/Stakeholder%20Engagement%20Policy.pdf | 3 | 0 | - | Nil | NA | - |
| | Value Chain Partners (Including customers) | Yes, http://www.orchidpharma.com/downloads/Stakeholder%20Engagement%20Policy.pdf | 0 | NA | - | Nil | NA | - |
| | ** The complaint pending as on March 31, 2023 was resolved to the satisfaction of the investor in the first week on April 2023.* | | | | | | | |

| | |
|---|---|
| 26 | Overview of the entity's material responsible business conduct issues |
| | Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: |

| S.No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Corporate Governance and Business Ethics | Risk and Opportunity | Risk: Failing to maintain the highest standards of corporate governance and business ethics can lead to regulatory repercussions, financial losses, and damage to our reputation.<br><br>Opportunity: Compliance and Ethical & responsible governance practices will result in long-term value creation for all stakeholders. | - Adopting a zero-tolerance policy for breach of ethics and integrity.<br>- Regular engagement with regulatory agencies to ensure compliance and reduce any possibility of noncompliance.<br>- Regular trainings for employee on compliance related matters | Positive and Negative |
| 2 | Product Quality and Safety | Risk | Risk: Failing to meet quality standards and regulatory compliance can result in regulatory actions that can negatively impact the business. | - Ensuring strict compliance with global quality standards and applicable local regulatory requirements through regular quality checks<br>- Maintaining strong complaint redressal mechanism | Negative |
| 3 | Diversity, Equity and Inclusivity | Opportunity | Opportunity: Establishing diverse and inclusive workforce which will help the company in enhancing performance of the workforce by having personnel with varied skillset and experiences | - Attracting and developing the right talent, ensuring professional development and personal well-being throughout their tenure with the Company.<br>- Providing programmes that are specifically designed for roles which require upgraded skills | Positive |
| 4 | Occupational Health and Safety | Risk | Risk: Failing to maintain adequate safety at the workplace can lead to enquiries by the statutory authorities which could affect the operations of the company. | -Conducting regular trainings for occupational health and use of safety measures.<br>- Provision of First Aid boxes, emergency exits and having well-ventilated workplace. | Negative |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 5 | Community engagement | Opportunity | Opportunity: Helping company in making intervention for the well-being of the community. | - Actively discussing the issues/ concerns of the community near the manufacturing units<br>- Carrying out appropriate actions to redress issues of the community | Positive |
| | 6 | Waste management | Risk | Risk: Inappropriate and inefficient management of waste which could be hazardous for the various stakeholders | - Disposable of waste in appropriate manner<br>- Sustainably sourcing the input materials<br>- Entering into contracts with the recyclers for the reduction of the waste generated and sustainably disposing it. | Negative |

| SECTION B: MANAGEMENT AND PROCESS DISCLOSURES | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **This section is aimed at helping businesses demonstrate the structur es, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.** | | | | | | | | | | | |
| **Disclosure Questions** | | | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
| **Policy and management processes** | | | | | | | | | | | |
| 1 | a. | Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. | Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. | Web Link of the Policies, if available | http://www.orchidpharma.com/invr_corporategovernance.html | | | | | | | | |
| 2 | | Whether the entity has translated the policy into procedures. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | | Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO14001:2015, ISO 45001: 2018, USFDA, EUGMP, KFDA & PMDA Certificates | | | | | | | | |
| 5 | | Specific commitments, goals and targets set by the entity with defined timelines, if any. | The company has identified material ESG issu es which will help Orchid in setting targets and measures. Orchid strives to become a sustainable company and, in the process, to develop targets. | | | | | | | | |
| 6 | | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Orchid is committed to formalizing its efforts to enhance sustainability practices by adhering to the guidelines set forth in NGRBC, and is actively work on developing targets and assessing its performance against them. | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | | | |
| 7 | | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | In today's world, ESG is a gateway to new frontiers of transformation. The transition from individual to community has prompted businesses to reconsider their business strategies, and the core of these strategies revolve around innovation, awareness, and sustainable proces ses. Hence, ESG has become the foundation of our sustainable and long term growth charter. We have embarked on a journey where the nation's sustainable development and its people's comprehensive growth are a big part of our responsibility framework. We rem ain committed to positively impacting the lives of our consumers and the community at large. As an organization, we have been catering to the needs and reaching the underprivileged who could not access basic medicines. And, we continue to focus on balancin g our goals of sustainable profitability and long-term value creation with our overarching commitment to responsible growth, as an organization and as a responsible corporate citizen. We have in place a detailed strategic plan to achieve significant growth in the short, medium, and long term.<br>The key growth drivers would include scaling up the existing products and launching new products and penetrating into newer markets in both API and Formulations business. We also strive to accomplish a strong balance sheet with industry-leading best practices. We, as an organization, are more resolute than ever, to embed our ESG priorities into the DNA of our core operations across people, practices, and processes because real | | | | | | | | |

<table>
<tr><td></td><td colspan="2"></td><td colspan="9">sustainability for us lies in staying committed to responsible growth for all, for now, and tomorrow.</td></tr>
<tr><td>8</td><td colspan="2">Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</td><td colspan="9">The Board of the Company is responsible for the implementation and oversight of the Business Responsibility policy(ies).</td></tr>
<tr><td>9</td><td colspan="2">Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</td><td colspan="9">Yes, Shri Mridul Dhanuka, Whole Time Director, oversees the Business Responsibility and Sustainability initiatives of the Company.</td></tr>
</table>

<table>
<tr><td>10</td><td colspan="20">Details of Review of NGRBCs by the Company:</td></tr>
<tr><td></td><td colspan="2">Subject for Review</td><td colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</td><td colspan="9">Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)</td></tr>
<tr><td></td><td colspan="2"></td><td>P 1</td><td>P 2</td><td>P 3</td><td>P 4</td><td>P 5</td><td>P 6</td><td>P 7</td><td>P 8</td><td>P 9</td><td>P 1</td><td>P 2</td><td>P 3</td><td>P 4</td><td>P 5</td><td>P 6</td><td>P 7</td><td>P 8</td><td>P 9</td></tr>
<tr><td></td><td>a.</td><td>Performance against above policies and follow up action</td><td colspan="9">As a standard procedure, the Board annually reviews the Company's Business Responsibility policies or when needed. This assessment includes evaluating the effectiveness of the policies and making necessary adjustments to both policies and procedures.</td><td colspan="9">Annually</td></tr>
<tr><td></td><td>b.</td><td>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</td><td colspan="9">The Company complies with relevant regulations, and the Managing Director (MD) issues a Statutory Compliance Certificate to the Board of Directors regarding applicable laws.</td><td colspan="9">On-going basis</td></tr>
<tr><td>11</td><td colspan="11">Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td><td colspan="9">No</td></tr>
<tr><td>12</td><td colspan="20">If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:</td></tr>
<tr><td></td><td colspan="11">Questions</td><td>P 1</td><td>P 2</td><td>P 3</td><td>P 4</td><td>P 5</td><td>P 6</td><td>P 7</td><td>P 8</td><td>P 9</td></tr>
<tr><td></td><td colspan="11">The entity does not consider the principles material to its business (Yes/No)</td><td colspan="9" rowspan="4">All Principles are covered by the Policies</td></tr>
<tr><td></td><td colspan="11">The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td></tr>
<tr><td></td><td colspan="11">The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td></tr>
<tr><td></td><td colspan="11">It is planned to be done in the next financial year (Yes/No)</td></tr>
</table>

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 1 | An induction session is arranged for every independent Director, on his/her appointment to the Board of Directors. The induction session, amongst others, includes an overview of the Company, its vision and mission, the industry in which it operates, its business strategies, risk management, and the roles and responsibilities as a member of the Risk Management Committee and Board. On an ongoing basis, Orchid's Board conducts meetings and updates regarding ESG, Code of Conduct for Prevention of Insider Trading, Code of Conduct for Directors and Senior Management, Corporate Governance, Risk Management, IT & Cybersecurity, changes in the regulatory environment as applicable were made at the meeting. Further, Independent Directors meet separately without the attendance of non-independent Directors to review the performance of non-independent Directors, and Board as a whole, and the performance of the Chairman of the Board. | 100% |
| Key Managerial Personnel | 1 | Orchid's Code of Conduct serves to guide our actions, which are governed by integrity, honesty, fair dealing, and compliance with all applicable laws. The mandatory training on the Code of Conduct is designed to provide a framework against which conduct, and behaviour can be measured. It covers in detail the expected code as but is not limited to the equal opportunity employer, data and people privacy, conflict of interest, insider trading, bribery, improper payment, compliance, human rights, safe and secure work environment, POSH, etc. | 100% |
| Employees other than BoD and KMPs | 20 | HR Policies, Ethics, Integrity & Code of Conduct, etc. | 55% |

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on an entity’s website):

Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|---|

<table>
<tr><td></td><td>Penalty/ Fine</td><td>Nil</td><td>Nil</td><td>Nil</td><td>NA</td><td>NA</td></tr>
<tr><td></td><td>Settlement</td><td>Nil</td><td>Nil</td><td>Nil</td><td>NA</td><td>NA</td></tr>
<tr><td></td><td>Compounding fee</td><td>Nil</td><td>Nil</td><td>Nil</td><td>NA</td><td>NA</td></tr>
<tr><td></td><td colspan="6">Non-Monetary</td></tr>
<tr><td></td><td></td><td>NGRBC Principle</td><td colspan="2">Name of the regulatory/ enforcement agencies/ judicial institutions</td><td>Brief of the Case</td><td>Has an appeal been preferred? (Yes/No)</td></tr>
<tr><td></td><td>Imprisonment</td><td>Nil</td><td colspan="2">Nil</td><td>NA</td><td>NA</td></tr>
<tr><td></td><td>Punishment</td><td>Nil</td><td colspan="2">Nil</td><td>NA</td><td>NA</td></tr>
<tr><td>3</td><td colspan="6">Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.</td></tr>
<tr><td></td><td colspan="3">Case Details</td><td colspan="3">Name of the regulatory/ enforcement agencies/ judicial institutions</td></tr>
<tr><td></td><td colspan="6">Not Applicable</td></tr>
<tr><td>4</td><td colspan="3">Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.</td><td colspan="3">The company is deeply committed to ethical conduct, firmly opposing practices such as bribery or kickbacks and actively discouraging employees and stakeholders from engaging in such behaviour. We maintain a strict zero -tolerance policy against bribery and corruption, dedicated to upholding our business relationships with professionalism, fairness, and ethical integrity. To effectively combat bribery, we have implemented comprehensive guidelines and stringent control measures. We have clearly defined consequences for misconduct and encourage employees to promptly report any wrongdoing. Our corporate governance practices are anchored in principles of honesty and integrity, ensuring full compliance with legal and regulatory requirements. The principles of anti-corruption and bribery are captured in codes of conduct of the Company. Furthermore, we provide a Whistleblower mechanism for reporting any concerns or instances of misconduct.<br><br>Code of Conduct for Board of Directors and Senior Management:<br>http://www.orchidpharma.com/downloads/codeofconduct/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20.pdf<br><br>Code for Independent Directors:<br>http://www.orchidpharma.com/downloads/codeofconduct/Code_for_Independent_Directors.pdf<br><br>Code of Conduct on Prevention of Insider Trading Regulations:<br>http://www.orchidpharma.com/downloads/codeofconduct/Code%20of%20Conduct%20under%20Insider%20Trading%20Regulations_v-2.1.pdf<br><br>Whistleblower Policy:<br>http://www.orchidpharma.com/downloads/Policy%20on%20%20Whistle%20Blower.pdf</td></tr>
</table>

| | | | | | |
|---|---|---|---|---|---|
| 5 | Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: | | | | |
| | | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
| | Directors | Nil | | Nil | |
| | KMPs | Nil | | Nil | |
| | Employees | Nil | | Nil | |
| | Workers | Nil | | Nil | |
| 6 | Details of complaints with regard to conflict of interest: | | | | |
| | | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
| | | Number | Remarks | Number | Remarks |
| | Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | - | Nil | - |
| | Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | - | Nil | - |
| 7 | Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. | Not Applicable | | | |
| 8 | Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format: | | | | |
| | | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
| | Number of days of accounts payables | 135 | | 123 | |

| | | | | |
|---|---|---|---|---|
| 9 | Open-ness of business<br>Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format: | | | |
| | Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| | Concentration of Purchases | a. Purchases from trading houses as % of total purchases | NA | NA |
| | | b. Number of trading houses where purchases are made from | NA | NA |
| | | c. Purchases from top 10 trading houses as % of total purchases | NA | NA |
| | Concentration of Sales | a. Sales to dealers / distributors as % of total sales | NA | NA |
| | | b. Number of dealers / distributors to whom sales are made | NA | NA |
| | | c. Sales to top 10 dealers / distributors as % of total sales to dealers /distributors | NA | NA |
| | Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 37.80% | 35.48% |
| | | b. Sales (Sales to related parties / Total Sales) | 2.05% | 1.42% |

<table>
<tr><td rowspan="2"></td><td rowspan="2"></td><td colspan="2">c. Loans & advances (Loans & advances given to related parties / Total loans & advances)</td><td colspan="2">76.53%</td><td>69.92%</td></tr>
<tr><td colspan="2">d. Investments (Investments in related parties / Total Investments made)</td><td colspan="2">21.61%</td><td>0%</td></tr>
<tr><td colspan="7">Leadership Indicators</td></tr>
<tr><td rowspan="3">1</td><td colspan="6">Awareness programmes conducted for value chain partners on any of the principles during the financial year:</td></tr>
<tr><td colspan="2">Total number of awareness programmes held</td><td colspan="2">Topics / principles covered under the training</td><td colspan="2">%age of value chain partners covered (by value of business done with such partners) under the awareness programmes</td></tr>
<tr><td colspan="6">Nil</td></tr>
<tr><td>2</td><td colspan="2">Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)<br>If yes, provide details of the same.</td><td colspan="4">Yes, every Director of the Company annually discloses any concerns or interests they have in the Company or other entities, including any changes, which encompass shareholding interests. Additionally, Directors annually declare under the Code of Conduct that they will always act in the Company's best interests and ensure that any other business or personal associations do not conflict with the Company's operations or their role. During Board meetings, Directors abstain from participating in items where they have a concern or interest. To identify and monitor conflicts of interest involving the Directors and Key Managerial Personnel (KMPs), the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the Finance department to monitor and track transactions entered into by the Company with these parties. Additionally, the Senior Management affirms annually that they have not engaged in any material financial and commercial transactions that could potentially conflict with the Company's interests.</td></tr>
</table>

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | FY 24 - Current Financial Year | FY 23 - Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | | | As Orchid is engaged in the production of formulations and APIs, its investments are primarily focused on enhancing IT infrastructure, reducing air emissions, improving effluent discharge processes, and increasing energy efficiency. |
| Capex | | | |

| | |
|---|---|
| **2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?** | **Entity has procedures (Yes/No):** Y<br><br>The company is dedicated to sustainability and actively works to influence its supply chain partners to minimize their environmental impact. On a national scale, priority is always given to sourcing from local suppliers within India. The company strives to empower suppliers who contribute to a responsible supply chain by implementing best practices. |

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life**

| | Process Description |
|---|---|
| (a) Plastics (including packaging) | Plastic waste is managed in compliance with the Plastic Waste Management Rules. |
| (b) E-waste | Disposed of in accordance with the E-waste Management Rules, 2016. |
| (c) Hazardous waste | Hazardous waste are disposed as per the authorization obtained and procedure contained in the authorization order. |
| (d) Other waste | The Company has Standard Operating Procedure for returned products which provides the guidelines for safe handling and disposable of expired products. |

| | |
|---|---|
| **4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** | **Extended Producer Responsibility (EPR) applicable (Yes/No):** Yes<br>**Describe:** The company is compliant with Extended Producer Responsibility (EPR) regulations and holds certifications from the Central Pollution Control Board (CPCB) for both Brand Owner (BO) and Importer categories. |

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | If results communicated in public domain, provide the web-link |
|---|---|---|---|---|---|---|

Our company is dedicated to environmental stewardship, even though we have not yet conducted a Life Cycle Assessment (LCA) for our products. We recognize the importance of understanding the environmental impacts associated with our products throughout their entire life cycles. Therefore, we are proactively planning to undertake LCA evaluations. These assessments will be a crucial part of our ongoing efforts to reduce our carbon footprint and enhance our environmental performance.

| 2. | If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. | | |
|---|---|---|---|
| | **Name of Product/Service** | **Description of the Risk/Concern** | **Action Taken** |
| | NA | NA | NA |

| 3. | Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). | | |
|---|---|---|---|
| | **Indicate Input Material** | **Recycled or re-used input material to total material** | |
| | | **FY 24 - Current Financial Year** | **FY 23 - Previous Financial Year** |
| | As a manufacturer of pharmaceutical products, our company adheres to strict industry standards and regulatory requirements. Consequently, materials are not reused or recycled in our production processes to ensure the highest quality and safety of our products. | | |

| 4. | Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **FY 24 - Current Financial Year** | | | **FY 23 - Previous Financial Year** | | |
| | **Plastics (including packaging)** | 0 | 0 | 0 | 0 | 0 | 0 |
| | **E-waste** | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Hazardous Waste** | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Other Waste** | 0 | 0 | 0 | 0 | 0 | 0 |

| 5. | Reclaimed products and their packaging materials (as percentage of products sold) for each product category. | |
|---|---|---|
| | **Indicate product category** | **Reclaimed products and their packaging materials as % of total products sold in respective category** |
| | NA | 0 |

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1 A Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 846 | 846 | 100% | 846 | 100% | NA | NA | 846 | 100 % | 0 | 0% |
| Female | 25 | 25 | 100% | 25 | 100% | 25 | 100% | NA | NA | 0 | 0% |
| **Total** | 871 | 871 | 100% | 871 | 100% | 25 | 3% | 846 | 96% | 0 | 0% |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 50 | 50 | 100% | 50 | 100% | NA | NA | 50 | 100 % | 0 | 0% |
| Female | 2 | 2 | 100% | 2 | 100% | 2 | 100% | NA | NA | 0 | 0% |
| **Total** | 52 | 52 | 100% | 52 | 100% | 2 | 4% | 50 | 96% | 0 | 0% |

B Details of measures for the well-being of workers:

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total** | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total** | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

C Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 4% | 3% |

2 Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | NA | Y | 100% | 100% | Y |

| | | |
|---|---|---|
| 3 | Accessibility of workplaces | |
| | Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. | Yes, as a principle the Company through its Equal Employment Opportunity policy prohibits any kind of discrimination against any person with a disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016, and Transgender persons (Protection of Rights) Act 2019. Various corporate offices and sites of Orchid have ramps for easy movement of differently -abled people and wheelchair-accessible restrooms are availa ble. |
| 4 | Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web -link to the policy. | Yes, the Company has adopted an Equal employment opportunity and nondiscrimination policy in accord ance with the provisions of the Rights of Persons with Disabilities Act, 2016, and provides a framework that is committed to the empowerment of persons with disabilities.<br><br>Website Link:<br>https://orchidpharma.com/downloads/Equal%20Opportunity%20Policy.pdf |
| 5 | Return to work and Retention rates of permanent employees and workers that took parental leave. | |

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 86% | 100% | 100% |
| Female | 100% | 67% | 100% | 100% |
| Total | 100% | 84% | 100% | 100% |

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes, the Company strives to create a fair, open, and transparent culture where employees can openly present their views. Company t ransparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes.<br>Company has implemented a comprehensive Whistle -blower mechanism and Prevention of Sexual Harassment at Workplace (POSH) policy. The Whistle -blower mechanism allows employees to report any concerns or grievances, including instances of sexual harassment. The company takes these reports seriously and follows a stringent process outlined in the POSH policy to address them promptly and effectively.<br>The grievance mechanism is designed to ensure that all employees and workers have a safe and confidential avenue to raise their concerns, regardless of their category |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association(s) or Union(D) | % (D/C) |
| **Total Permanent Employees** | Orchid Pharma's employees are currently not part of any employee association or Union. | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| **Total Permanent Employees** | | | | | | |
| Male | | | | | | |
| Female | | | | | | |

8 Details of training given to employees and workers:

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (A) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Employees** | | | | | | | | | | |
| Male | 896 | 510 | 57% | 0 | 0% | 913 | 855 | 94% | 777 | 85% |
| Female | 27 | 2 | 7% | 0 | 0% | 28 | 5 | 18% | 5 | 18% |
| **Total** | 923 | 512 | 55% | 0 | 0% | 941 | 860 | 91% | 782 | 83% |
| **Workers** | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |

9 **Details of performance and career development reviews of employees and worker:**

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (c) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 896 | 747 | 83% | 913 | 657 | 72% |
| Female | 27 | 20 | 74% | 28 | 7 | 25% |
| **Total** | 923 | 767 | 83% | 941 | 664 | 71% |
| **Workers** | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0 | 0% |
| **Total** | 0 | 0 | 0% | 0 | 0 | 0% |

10 Health and safety management system:

| | | |
|---|---|---|
| a. | Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? | Yes, the Company has inculcated Dupont Safety Culture which covers Work Permit System, enforcement o f Safety Standards, assessment of Near Miss Incidents, CAPA, display of MSDS, usage of PPE's . |
| b. | What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | Orchid is committed to provi de a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.<br>Orchid has taken an initiative to frame a comprehensive policy with respect to health and safety management system such as Process Hazard Analysis, Pre start -up safety review, Plant safety audit, Job safety analysis, Work Permit system, What if study, Work place monitoring, Noise monitoring, Illumination monitoring. Various facilities are available at Orchid manufacturing sites and Corporate Offices and its subsidiaries corporate offices premises such as proper ventilation, hygiene & sanitation, yearly safety audit, emergency exits, first aid box, etc |
| c. | Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) | Yes |
| d. | Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | Yes |

| | | | | |
|---|---|---|---|---|
| 11 | Details of safety related incidents, in the following format: | | | |
| | **Safety Incident/Number** | **Category** | **FY 2023-24** | **FY 2022-23** |
| | Lost Time Injury Frequency Rate (LTIFR) (per one million - person hours worked) | Employees | Nil | Nil |
| | | Workers | Nil | Nil |
| | Total recordable work -related injuries | Employees | Nil | Nil |
| | | Workers | Nil | Nil |
| | No. of fatalities | Employees | Nil | Nil |
| | | Workers | Nil | Nil |
| | High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | | Workers | Nil | Nil |

| | | |
|---|---|---|
| 12 | Describe the measures taken by the entity to ensure a safe and healthy workplace. | - Familiarization with operating procedures and matters to be taken care of.<br>- Use of Personal Protective Equipment (PPE) as per PPE matrix.<br>- Conduct of Refresher classroom Training Safety and Induction Training<br>- Application of Work Permit system and Safety Data Sheet maintance<br>- Examination Pre employment Skin & ENT screening<br>- Environment monitoring<br>- Regular preventive maintenance program, Plant safety audits and Safety Observation Audit |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 13 | Number of Complaints on the following made by employees and workers: | | | | | | |
| | | **FY 2023-24 (Current Financial Year)** | | | **FY 2022-23 (Previous Financial Year)** | | |
| | | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** |
| | Working Conditions | Nil | NA | - | Nil | NA | - |
| | Health & Safety | Nil | NA | - | Nil | NA | - |

| | | |
|---|---|---|
| 14 | Assessments for the year: | |
| | | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
| | Health and safety practices | 100% |
| | Working Conditions | 100% |
| 15 | Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. | Nil |

| | | |
|---|---|---|
| | **Leadership Indicators** | |
| 1 | Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). | Yes |
| 2 | Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. | *To ensure that statutory dues are deducted and deposited by the value chain partners of the Company, the Company implements the following measures:*<br>*- Compliance Monitoring: We closely monitor and track th e compliance related to statutory dues by our contractors who supply third-party resources. This includes verifying that all necessary deductions and deposits are made in accordance with applicable laws and regulations.*<br>*- Regular Checks: As part of our routine invoice processing checks, we specifically review and validate the deduction and* |

| | | |
|---|---|---|
| | | *deposit of statutory dues by our value chain partners. This allows us to identify any discrepancies or non-compliance promptly.*<br>*- Contractual Obligations: Our contracts with value chain partners explicitly outline their responsibility to deduct and deposit statutory dues. We ensure that these contractual obligations are well-defined and communicated effectively to all parties involved.*<br>*- Collaboration and Communication: We maintain open lines of communication with our value chain partners, providing guidance and support regarding the correct deduction and deposit of statutory dues.This collaborative approach ensures that everyone involved is well-informed and aligned with regulatory requirements.* |

3 Provide the number of employees / workers having suffered high consequence work - related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | **Total no. of affected employees/workers** | | **No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment** | |
|---|---|---|---|---|
| | **FY 2023-24** | **FY 2022-23** | **FY 2023-24** | **FY 2022-23** |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

| | | |
|---|---|---|
| 4 | Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) | No |

5 Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | Nil |
| Working Conditions | Nil |

| | | |
|---|---|---|
| 6 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. | Nil |

| PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders | |
|---|---|

**Essential Indicators**

| | | |
|---|---|---|
| 1 | Describe the processes for identifying key stakeholder groups of the entity. | The Company identifies individuals or groups impacted by its activities and recognizes their significance in adding value to its business chain, both presently and in the future. Accordingly, key stakeholders identified by the Company include customers, investors, government entities, shareholders, regulators, value chain partner s, and employees. Orchid acknowledges the impact of its policies, decisions, products, services, and operations on these stakeholders. Aligned with its policies, practices, and procedures, Orchid actively engages with its stakeholders to address difference s in a just, fair, equitable, and consistent manner, and implements corrective actions when necessary. The Company also collaborates with relevant stakeholders to enhance sustainable and responsible business practices. |
| 2 | List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group. | |

| | Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|---|
| 1 | Shareholders & Investors | No | Annual General Meeting, email, Stock Exchange (SE) intimations, investor/analysts meet/conference calls, annual reports, quarterly results, media releases and Company's website. | Ongoing | Share price movement, dividends, profitability and financial stability, climate change risks, cyber risks and growth prospects etc. |
| 2 | Employees | No | Senior leaders' communication/talk /forum, Employee Communication (CEO Online), goal setting and performance appraisal meetings/ review, arbitration, wellness initiatives, engagement survey, email, intranet, websites, poster campaigns, circulars, a quarterly publication, and newsletters | Ongoing | Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives |
| 3 | Customers | No | Website, complaints management, helpdesk, conferences, customer surveys, face-toface meetings, E-mail, Customer feedbacks | Ongoing | Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for customers are new products and regulations. |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 4 | Suppliers/Value Chain Partners | No | Vendor meets, Virtual modes such as e-mail, telephonically | Ongoing | Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities |
| | 5 | Governments | No | Advocacy meetings with local/state/ national government and ministries, seminars, media releases, conferences. | Ongoing | Helps and guides in terms of connecting with Govt. Schemes in the same area for increased effectiveness, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement. |

**Leadership Indicators**

| | |
|---|---|
| 1 | Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board. |
| | At Orchid, the stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impactin g the Company's growth. The stakeholder engagement and materiality assessment exercise conducted in FY 2023 -24 led to the prioritization of material issues, mapping of the risks relevant to each material topic, and development of consequent risk mitigation steps. The primary outcome of the stakeholder engagement exercise resulted in the identification and prioritization of material issues relevant to environmental, social, governance, and economic aspects. The identified material issues were presented to th e highest governing member and the Board for their feedback and guidance on strategizing the sustainable growth model of the Company. As part of the Company's efforts to continually engage with internal and external stakeholder g roups for the identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review. |
| 2 | Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how he inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. |
| | Yes, Orchid has always maintained a regular and proactive engagement with the Com pany's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed. |
| 3 | Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. |
| | Not Applicable |

| PRINCIPLE 5 Businesses should respect and promote human rights |
|---|
| Essential Indicators |

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. employee's workers covered (B) | % (B/A) | Total (C) | No. employee's workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 871 | 0 | 0% | 849 | 0 | 0% |
| Other than permanent | 52 | 0 | 0% | 92 | 0 | 0% |
| **Total Employees** | 923 | 0 | 0% | 941 | 0 | 0% |
| **Workers** | | | | | | |
| Permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| Other than permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| **Total Employees** | 0 | 0 | 0% | 0 | 0 | 0% |

2 Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | 871 | - | - | 871 | 100% | 849 | - | - | 849 | 100% |
| Male | 846 | - | - | 846 | 100% | 823 | - | - | 823 | 100% |
| Female | 25 | - | - | 25 | 100% | 26 | - | - | 26 | 100% |
| **Other than permanent** | 52 | 52 | 100% | - | - | 92 | 92 | 100% | - | - |
| Male | 50 | 50 | 100% | - | - | 90 | 90 | 100% | - | - |
| Female | 2 | 2 | 100% | - | - | 2 | 2 | 100% | - | - |
| **Workers** | | | | | | | | | | |
| Permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other than permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | Details of remuneration/salary/wages, in the following format: | | | | | |
| | a | | **Male** | | **Female** | |
| | | | **Number** | **Median remuneration/salary/wages of respective category** | **Number** | **Median remuneration/ salary/ wages of respective category** |
| | | Board of Directors (BoD) | 2 | 3,55,10,053 | 0 | - |
| | | Key Managerial Personnel (KMP | 2 | 33,72,730 | 0 | - |
| | | Employees other than BoD and KMP | 894 | 45,792 | 27 | 27,777 |

| | | | | |
|---|---|---|---|---|
| | b | Gross wages paid to females as % of total wages paid by the entity, in the following format: | | |
| | | | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| | | Gross wages paid to females as % of total wages | 2.15% | 2.61% |

| | | |
|---|---|---|
| 4 | Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) | No |
| 5 | Describe the internal mechanisms in place to redress grievances related to human rights issues. | Orchid understands the importance of hu man rights and is dedicated to upholding the human rights of its employees, communities, and suppliers. Orchid has Whistle -Blower Policy in place to cater to all the complaints regarding human rights and the employees/ affiliates address their complaints o r grievances or report instances to the Vigilance and Ethics Officer of the Company. No reprisal or retaliatory action is taken against any employee/ affiliate for raising concerns under this policy. |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6 | Number of Complaints on the following made by employee es and workers: | | | | | | |
| | | **FY 2023-24** | | | **FY 2022-23** | | |
| | | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** |
| | Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| | Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| | Child Labour | Nil | Nil | - | Nil | Nil | - |
| | Forced Labour/Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| | Wages | Nil | Nil | - | Nil | Nil | - |
| | Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

| | | | |
|---|---|---|---|
| 7 | Complaints filed under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, in the following format: | | |
| | | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| | Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| | Complaints on POSH as a % of female employees / workers | NA | NA |
| | Complaints on POSH upheld | NA | NA |

| | | | |
|---|---|---|---|
| 8 | Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. | | The Company condemn all forms of discrimination, harassment, and unfair practices, and provide complete protection to complainants.<br><br>To prevent adverse consequences to the complainant in discrimination and harassment cases, the Company has established mechanisms in line with its POSH Policy. These mechanisms ensure that individuals who report such incidents are protected from unfair treatment.<br><br>The company also has whistle blower policy in place which ensures that no unfair treatment is done with the Whistleblower by v irtue of his/her having reported a Protected Disclosure under the policy. |
| 9 | Do human rights requirements form part of your business agreements and contracts? (Yes/No) | | No |
| 10 | Assessments for the year: | | |
| | | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** | |
| | Child labour | | 100% |
| | Forced/involuntary labour | | 100% |
| | Sexual harassment | | 100% |
| | Discrimination at workplace | | 100% |
| | Wages | | 100% |
| 11 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. | | The Company operates in the employee/worker friendly manner. Based on internal assessments, no practice detrimental to the well-being of the employees was identified. Therefore, the re was no requirement for the corrective action, hence, no corrective action is underway. |
| | **Leadership Indicators** | | |
| 1 | Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. | | Not applicable as the Company has not received any human rights grievance/complaint. |
| 2 | Details of the scope and coverage of any Human rights due-diligence conducted. | | The Company has not conducted any Human rights due diligence during the FY 2023-24. |
| 3 | Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? | | Yes, most of the locations of the company are accessible to differently abled persons. |
| 4 | Details on assessment of value chain partners: | | |
| | | | **% of value chain partners (by value of business done with such partners) that were assessed** |
| | Sexual Harassment | | During the FY 2023-24, the Company has not performed any assessment of value chain partners with respect to the following points. |
| | Discrimination at workplace | | |
| | Child Labour | | |
| | Forced Labour/Involuntary Labour | | |
| | Wages | | |
| 5 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. | | Not Applicable |

| SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE | | | |
|---|---|---|---|
| **PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment** | | | |
| **Essential Indicators** | | | |
| **1.** | **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:** | | |
| | | **FY 24 Current Financial Year** | **FY 23 Previous Financial Year** |
| | **From renewable sources (in Gigajoules)** | | |
| | Total electricity consumption (A) | - | - |
| | Total fuel consumption (B) | - | - |
| | Energy consumption through other sources (C) | - | - |
| | Total energy consumed from renewable sources (A+B+C) | - | - |
| | **From non-renewable sources (in Gigajoules)** | | |
| | Total electricity consumption (D) | 208948.2185 | 94802 |
| | Total fuel consumption (E) | 8807.7987 | 322.29 |
| | Energy consumption through other sources (F) | | 50843 |
| | **Total energy consumed from non -renewable sources (D+E+F)** | 217756.0172 | 145967.29 |
| | **Total energy consumed (A+B+C+D+E+F)** | 217756.0172 | 145967.29 |
| | Energy intensity per rupee of turnover (Total energy consumed (GJ) / Revenue from operations) | 0.00002657603002 | 0.0000219204 |
| | Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed (GJ) / Revenue from operations adjusted for PPP)** | 9517.308443 | 12759.3785 |
| | Energy intensity in terms of physical output (GJ/MT of production) | 420.930985 | 760.1869125 |
| | Energy intensity (optional) – the relevant metric may be selected by the entity | | |
| | ****The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88** | | |
| | Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | **Assurance has been carried out (Yes/No) :** No<br>**Name of external agency:** Not applicable | |
| **2.** | **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.** | **Have sites? (Yes/No) :** No<br>**Targets achieved? (Yes/No) :** No<br>**In case targets have not been achieved, provide the remedial action taken, if any:** Not Applicable | |
| **3.** | **Provide details of the following disclosures related to water, in the following format:** | | |

| Parameter | FY 24 - Current Financial Year | FY 23 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 0 | 148413 |
| (iii) Third Party Water (Tanker Water) | 170089 | 0 |
| (iv) Seawater/desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 170089 | 148413 |
| Total volume of water consumption (in kilolitres) | 170089 | 254402 |

| | | | |
|---|---|---|---|
| | Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) KL/Turnover | 0.00002075850959 | 0.00003820423487 |
| | Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 7433.95979 | 11118.96853 |
| | Water intensity in terms of physical output (KL/MT of Production) | 328.7887574 | 382.0423487 |
| | Water intensity (Optional) – the relevant metric may be selected by the entity | | |
| | Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | **Has been carried out by an external agency (Yes/No):** No<br><br>**Name of external agency:** Not Applicable | |
| **4.** | **Provide the following details related to water discharged:** | | |
| | **Parameter** | **FY 24 - Current Financial Year** | **FY 23 - Previous Financial Year** |
| | **Water discharge by destination and level of treatment (in kilolitres)** | | |
| | **(i) To Surface water** | | |
| | - No treatment | 0 | 0 |
| | - With treatment – please specify level of treatment | 0 | 0 |
| | **(ii) To Groundwater** | | |
| | - No treatment | 0 | 0 |
| | - With treatment – please specify level of treatment | 0 | 0 |
| | **(iii) To Seawater** | | |
| | - No treatment | 0 | 0 |
| | - With treatment – please specify level of treatment | 0 | 0 |
| | **(iv) Sent to third-parties** | | |
| | - No treatment | 0 | 0 |
| | - With treatment – please specify level of treatment | 0 | 0 |
| | **(v) Others** | | |
| | - No treatment | 0 | 0 |
| | - With treatment – please specify level of treatment | 0 | 0 |
| | **Total water discharged (in kilolitres)** | 0 | 0 |
| | **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | **Assurance has been carried out by an external agency (Yes/No) :** No<br>**Name of external agency:** Not Applicable | |
| **5.** | **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Mechanism implemented?(Yes/No):** | The company employs a zero liquid discharge (ZLD) effluent trea tment plant, which includes advanced components such as a Membrane Bio Reactor (MBR), Reverse Osmosis (RO) system, Solvent Stripping Column, Thermal Evaporators (both Single Effect and Multiple Effect Evaporators - MEE), and a Dryer plant. These integrated technologies treat the entire volume of trade effluent, allowing for its complete recycling back into the utility processes. | |

| 6. | Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: | | | |
|---|---|---|---|---|
| | **Parameter** | **Please specify unit** | **FY 24 - Current Financial Year** | **FY 23 - Previous Financial Year** |
| | **NOx** | **μg/m3** | 20 | 105 |
| | **SOx** | **μg/m3** | 17 | 47 |
| | **Particulate matter (PM)** | **μg/m3** | 59 | 37 |
| | **Persistent organic pollutants matter (POP)** | **μg/m3** | - | - |
| | **Volatile organic compounds (VOC)** | **μg/m3** | - | - |
| | **Hazardous air pollutants (HAP)** | **μg/m3** | - | - |
| | **Others – please specify** | **μg/m3** | - | - |
| | **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | **Assurance has been carried out by an external agency(Yes/No) :** No<br><br>**Name of external agency:** Not Applicable | | |

| 7. | Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: | | | |
|---|---|---|---|---|
| | **Parameter** | **Unit** | **FY24 - Current Financial Year** | **FY23* - Previous Financial Year** |
| | **Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 339.9385083 | 4594 |
| | **Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 41557.47901 | 381028 |
| | **Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)** | Metric tonnes of CO2equivalent / Turnover | 0.000005113369725 | 0.00005790989638 |
| | **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)** | Metric tonnes of CO2 equivalent / rupee turnover adjusted for PPP | 1831.180836 | 16854.10839 |
| | **Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Emissions / MT production)** | Metric tonnes of CO2 equivalent/ MT of production | 80.98936348 | 1004.145509 |
| | **Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity** | NA | | |
| | For estimation of Scope 1 GHG emissions, we have referred 2006 IPCC Guidelines for National Greenhouse Gas Inventories and IPCC Fifth Assessment Report for GWP values. For estimation of scope 2 GHG emissions, the emission factors prescribed as per CO2 Baseline Database for the Indian Power Sector, published by Central Electricity Authority (CEA), Ministry of Power, Government of India, has been considere d. | | | |
| | **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | **Assurance has been carried out by an external agency(Yes/No) :** No<br><br>**Name of external agency:** Not Applicable | | |

| | | |
|---|---|---|
| **8.** | **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. Have project? (Yes/No): Yes** | Yes, the Company is actively engaged in several projects aimed at reducing greenhouse gas (GHG) emissions. These initiatives focus on conserving energy and optimizing resource usage within our manufacturing facilities. Below are some key measures we have undertaken:<br><br>**Energy Conservation Initiatives:**<br>**Power Consumption Reduction:** We have enhanced our manufacturing processes to boost energy efficiency, benefiting all products in terms of power consumption per kilogram of Active Pharmaceutical Ingredients (APIs).<br><br>**Water and Energy Reduction Measures:** While our products do not broadly affect consumer energy and water usag e, we consistently work on reducing our own consumption.<br><br>**Effluent Streamlining:** We are optimizing effluent streams to lower energy usage in our Ecology plant. For example, halting certain operations has led to notable energy and steam savings.<br><br>**Operational Controls:** Implementing operational controls for pumps and fans based on plant operations has resulted in further energy savings.<br><br>**Cooling Circuit Optimization:**<br>We have achieved considerable energy savings by optimizing power consumption in our cooling circuits, using temperature-based cutoffs for radiator fans, improving Plate Heat Exchangers (PHE), and managing chill water pumps according to plant needs.<br><br>**Renewable Energy Trials:**<br>We are experimenting with renewable energy fuels, such as rice husk, in our boilers to reduce coal usage, effectively replacing a portion of our coal consumption.<br><br>**Insulation Improvements:**<br>Improving insulation in our refrigeration systems has led to significant energy savings.<br><br>**Compressed Air and Nitrogen Leak Prevention:**<br>Conducting air audits and addressing leaks in compressed air and nitrogen systems across our plant has resulted in substantial energy savings.<br><br>**Solvent Recovery Facility:**<br>Our solvent recovery facility, equipped with multiple distillation columns, extracts, washes, and recovers impure solvents from API production. A large percentage of the feed is recycled as pure/recovered solvent, reducing the need for fresh solvents. The distillation process is managed through advanced systems like DCS, PLC, and SCADA, ensuring safety and efficiency. The purified solvent mixtures are then reused in production, minimizing the requirement for new solvents. |

| | | | |
|---|---|---|---|
| **9.** | **Provide details related to waste management by the entity, in the following format:** | | |
| | Parameter | FY 24 – Current Financial Year | FY 23 - Previous Financial Year |

| | | | |
|---|---|---|---|
| | **Total Waste generated (in metric tonnes)** | | |
| | Plastic waste (A) | 0 | 0 |
| | E-waste (B) | 0 | 0 |
| | Bio-medical Waste (C) | 0.12 | 1.858 |
| | Construction and Demolition Waste (D) | 0 | 0 |
| | Battery Waste (E) | 182.35 | 185 |
| | Radioactive Waste (F) | 0 | 0 |
| | Other Hazardous Waste. Please specify, if any. (G) | - | - |
| | Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 11.36 | 12.83 |
| | Total (A + B + C + D + E + F + G + H) | 193.83 | 200 |
| | Waste intensity per rupee of turnover (Total Waste generated/Revenue from operations) MT/Turnover | 0.00000002365597959 | 0.00000003003453972 |
| | Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated/Revenue from operations adjusted for PPP) | 8.471590909 | 8.741258741 |
| | Waste intensity in terms of physical output waste (MT/ MT of Production) | 0.3746810485 | 0.3003453972 |
| | Waste intensity (optional) -the relevant metric may be selected by the entity | - | - |
| | **For each category of waste generated, total waste recovered through recycling, re -using or other recovery operations (in metric tonnes)** | | |
| | **Category of waste** | | |
| | (i) Recycled | 89.61 | 179.63 |
| | (ii) Re-Used | 0 | 0 |
| | (iii) Other recovery operations | 0 | 0 |
| | Total | 89.61 | 179.63 |
| | **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| | **Category of waste** | | |
| | (i) Incineration | 68.52 | 55.9 |
| | (ii) Landfilling | 1176.37 | 1110.47 |
| | (iii) Other disposal operations | 0 | 0 |
| | Total | 1244.89 | 1166.37 |
| | **Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | **Assurance has been carried out by an external agency(Yes/No):** No<br>**Name of external agency:** Not Applicable | |
| 10 | **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.** | **Yes.** The Company operates a highly efficient solvent recovery facility equipped with thirty distillation columns and additional extraction and washing capabilities. Impure solvents and mother liquor collected from API production are processed, with about 95% of the feed being recycled back as pure, recovered solvent.<br><br>The aqueous layer resulting from the distillation is directed to the Effluent Treatment Plant for further processing. Solid wastes generated during distillation are collected and disposed of in compliance with regulations. The solvent recovery process is meticulously controlled through advanced systems like DCS, PLC, and SCADA, which manage temperature, flow, and pressure with integrated process and safety interlocks. Solvent storage tanks and systems are nitrogen-blanketed for safe operation.<br><br>In the solvent recovery facility, solvent mixtures are separated from the mother liquor using various types of distillation columns (atmospheric and vacuum), operated at different temperatures based on the boiling points of the solvents. After distillation, the purified solvents are collected in a tank and reused in production, thereby reducing the need for fresh solvents. | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **11.** | **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:** | | | | | |
| | **S. No.** | **Location of operations/offices** | **Type of operations** | **Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.** | | |
| | - | NA | NA | NA | | |
| **12.** | **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** | | | | | |
| | **Name and brief details of project** | **EIA Notification No.** | **Date** | **Whether conducted by independent external agency (Yes/No)** | **Results communicated in public domain (Yes/No)** | **Relevant Web link** |
| | NA | NA | NA | NA | NA | NA |
| | No EIA project was undertaken during the current FY | | | | | |
| **13.** | **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:** | Yes, Orchid Pharma is fully compliant with all applicable environmental laws, regulations, and guidelines in India. These include, but are not limited to, the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and the Environment Protection Act and the rules thereunder. Our adherence to these regulations reflects our commitment to maintaining high environmental standards and ensuring sustainable operations across all our facilities. | | | | |
| | **S. No.** | **Specify the law/regulation/ guidelines which was not complied** | **Provide details of the non- compliance** | **Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts** | **Corrective action taken, if any** | |
| | - | NA | NA | NA | NA | |

**Leadership Indicators**

| | | | | | |
|---|---|---|---|---|---|
| **1.** | **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):** | | | | |
| | **(i) Name of the area:** | | | | |
| | **(ii) Nature of operations:** | Pharmaceuticals manufacturing | | | |
| | **(iii) Water withdrawal, consumption and discharge in the following format:** | | | | |
| | **Parameter** | **Unit** | **FY 24 - Current Financial Year** | **FY 23 - Previous Financial Year** | |
| | (i) Surface water | KL | 0 | 0 | |
| | (ii) Groundwater | KL | 0 | 148413 | |
| | (iii) Third Party Water | KL | 170089 | 0 | |
| | (iv) Seawater/desalinated water | KL | 0 | 0 | |
| | (v) Others | KL | 0 | 0 | |
| | Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | KL | 170089 | 148413 | |
| | Total volume of water consumption (in kilolitres) | KL | 170089 | 254402 | |
| | Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) KL/Turnover | KL / INR Turnover | 0.00002075850959 | 0.00003820423487 | |

| | | | | |
|---|---|---|---|---|
| | Water intensity (Optional) – the relevant metric may be selected by the entity | | 0 | 0 |
| | **Water discharge by destination and level of treatment (in kilolitres)** | | | |
| | **(i) To Surface water** | | | |
| | - No treatment | | 0 | 0 |
| | - With treatment – please specify level of treatment | | 0 | 0 |
| | **(ii) To Groundwater** | | | |
| | - No treatment | | 0 | 0 |
| | - With treatment – please specify level of treatment | | 0 | 0 |
| | **(iii) To Seawater** | | | |
| | - No treatment | | 0 | 0 |
| | - With treatment – please specify level of treatment | | 0 | 0 |
| | **(iv) Sent to third-parties** | | | |
| | - No treatment | | 0 | 0 |
| | - With treatment – please specify level of treatment | | 0 | 0 |
| | **(v) Others** | | | |
| | - No treatment | | 0 | 0 |
| | - With treatment – please specify level of treatment | | 0 | 0 |
| | **Total water discharged (in kilolitres)** | | 0 | 0 |
| | **Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | | **Assurance has been carried out by an external agency(Yes/No):** No<br>**Name of external agency:** Not Applicable | |
| **2.** | **Please provide details of total Scope 3 emissions & its intensity, in the following format:** | | | |
| | **Parameter** | **Unit** | **FY 24-Current Financial Year** | **FY 23-Previous Financial Year** |
| | **Total Scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available)** | **Metric tonnes of $CO_2$ equivalent** | - | - |
| | **Total Scope 3 emissions per rupee of turnover** | **Metric tonnes of $CO_2$ equivalent/ Turnover** | - | - |
| | **Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity** | **Metric tonnes of $CO_2$ equivalent/MT of production** | - | - |
| | **Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** | | **Assurance has been carried out by an external agency(Yes/No):** No<br>**Name of external agency:** Not Applicable | |
| **3.** | **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.** | | Orchid Pharma is deeply committed to upholding regulatory environmental compliance and ethical standards across all operational domains. Though our facilities are located in industrial areas, with limited impact on biodiversity, we are dedicated to continually enhancing our practices to minimize environmental footprint and promote biodiversity conservation. | |

<table>
<tr><td>4.</td><td colspan="4">If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:</td></tr>
<tr><td></td><td>S.No.</td><td>Initiative undertaken</td><td>Details of the initiative (Web-link, if any, may be provided along with summary)</td><td>Outcome of the initiative</td></tr>
<tr><td></td><td>1</td><td>Effluent Treatment Plant (ETP)</td><td>Installation of an ETP at each of the manufacturing units for treating industrial effluent. The treated water is reused for gardening purposes.</td><td>Conservation of water resources and reduction in industrial effluent discharge.</td></tr>
<tr><td></td><td>2</td><td>Sewage Treatment Plant (STP)</td><td>Implementation of an STP at the manufacturing units for treating domestic effluent. The treated water is reused for gardening purposes.</td><td>Efficient reuse of water and reduction in domestic effluent discharge.</td></tr>
<tr><td></td><td>3</td><td>Zero Liquid Discharge (ZLD)</td><td>Adoption of ZLD techniques to ensure no liquid waste is discharged from our facilities.</td><td>Elimination of liquid waste discharge and maximized water reuse.</td></tr>
<tr><td></td><td>4</td><td>Hazardous Waste Co-processing</td><td>Converting hazardous waste like Spent Sulphuric Acid, Sodium Sulphate into useful products with partnerships with authorized end users. Disposal of hazardous waste to the cement industry for co-processing (as an alternative fuel/raw material).</td><td>Converting hazardous waste like Spent Sulphuric Acid, Sodium Sulphate into useful products with partnerships with authorized end users. Disposal of hazardous waste to the cement industry for co-processing (as an alternative fuel/raw material).</td></tr>
<tr><td></td><td>5</td><td>Rainwater Harvesting</td><td>Implementation of rainwater harvesting systems across our facilities to capture and utilize rainwater effectively. The harvested rainwater undergoes initial treatment in our ETP before reuse.</td><td>Maintenance of groundwater levels and reduced dependency on external water sources.</td></tr>
<tr><td></td><td>6</td><td>Air Quality Management</td><td>Installation of scrubbers to remove contaminants from plant emissions.</td><td>Improved air quality and healthier workplace environment.</td></tr>
<tr><td></td><td>7</td><td>Screening and Replacement of Hazardous Chemicals</td><td>Rigorous screening of raw materials to ensure compliance with safety and environmental standards. Seeking alternative ingredients that are less harmful without compromising product quality.</td><td>Reduction in the usage of hazardous and toxic chemicals, enhancing product safety and environmental compliance.</td></tr>
<tr><td>5.</td><td colspan="2">Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.</td><td colspan="2">Business Continuity Plans (BCP) are essential for ensuring that a company can recover from disruptions in production activities. For manufacturing plants, the specific objectives of BCP include identifying various threats that could interrupt business operations. It involves establishing advanced arrangements and procedures that enable rapid response to emergencies, ensuring the continuous operation of critical business functions. The plan aims to minimize employee injuries, prevent loss of life, and reduce damage and losses. It also focuses on protecting essential facilities, equipment, vital records, and other assets.<br><br>BCP requires identifying crisis response teams and outlining their specific responsibilities. Effective decision-making processes are crucial to restoring operations promptly. The plan includes identifying alternative actions to mitigate or minimize the effects of the crisis and shorten response times. It quantifies the potential impact of various events in terms of financial loss, time, business disruption, and workforce impact. The goal is to ensure a swift recovery from emergencies and the timely resumption of full-scale manufacturing. Additionally, maintaining the quality of products, protecting the customer base, and preserving the company's brand during emergencies are critical components of the plan.</td></tr>
</table>

| | | |
|---|---|---|
| **6.** | **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.** | No significant adverse impact has been observed from the value chain, pertaining to environment. As an adaptation measure, we assess the critical vendors based on ESG parameters and have implemented vendor engagement programs to improve their capabilities, wherever required. |
| **7.** | **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** | Nil |

<table>
<tr><th colspan="6">PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</th></tr>
<tr><th colspan="6">Essential Indicators</th></tr>
<tr><td>1</td><td>a.</td><td colspan="4">Number of affiliations with trade and industry chambers/ associations</td></tr>
<tr><td></td><td></td><td colspan="4">Nil, During the financial year ended 31st March 2024, the Company was not associated with any industry chambers/associations.</td></tr>
<tr><td></td><td>b.</td><td colspan="4">List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to</td></tr>
<tr><td></td><td></td><td>S. No.</td><td>Name of the trade and industry chambers/ associations</td><td colspan="2">Reach of trade and industry chambers/ associations (State/National)</td></tr>
<tr><td></td><td></td><td colspan="4">Not Applicable</td></tr>
<tr><td>2</td><td colspan="5">Provide details of corrective action taken or underway on any issues related to anti -competitive conduct by the entity, based on adverse orders from regulatory authorities.</td></tr>
<tr><td></td><td colspan="2">Name of authority</td><td>Brief of the case</td><td colspan="2">Corrective action taken</td></tr>
<tr><td></td><td colspan="5">Nil</td></tr>
<tr><th colspan="6">Leadership Indicators</th></tr>
<tr><td>1</td><td colspan="5">Details of public policy positions advocated by the entity:</td></tr>
</table>

| | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| Nil | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **PRINCIPLE 8 Businesses should promote inclusive growth and equitable development** | | | | | | | |
| **Essential Indicators** | | | | | | | |
| 1 | Details of Social Impact Assessments (SIA) of projects undertaken by the entity b ased on applicable laws, in the current financial year. | | | | | | |
| | Name and brief details of project | | SIA Notificatio n No. | Date of notification | Whether conducted by independe nt external agency (Yes /No) | Results communicate d in public domain (Yes / No) | Relevant Web link |
| | Not Applicable | | | | | | |
| 2 | Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: | | | | | | |
| | S.No . | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
| | Not Applicable | | | | | | |
| 3 | Describe the mechanisms to receive and redress grievances of the community. | | | | | | |
| | The company visits the nearby communities perio dically to engage with them and redress their concerns and grievances. All community issues are adequately monitored and resolved on time. | | | | | | |
| 4 | Percentage of input material (inputs to total inputs by value) sourced from suppliers: | | | | | | |
| | Parameter | | | | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | |
| | Directly sourced from MSMEs/ small producers | | | | 23.59% | 21.24% | |
| | Directly from within India | | | | 52.25% | 46.96% | |
| 5 | Job creation in smaller towns<br>Disclose wages paid to persons employed (including employees or workers employed on a permanent or non - permanent / on contract basis) in the following locations, as % of total wage cost | | | | | | |
| | Location | | | | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | |
| | Rural | | | | 46% | 44% | |
| | Semi-Urban | | | | 22% | 22% | |
| | Urban | | | | 20% | 21% | |
| | Metropolitan | | | | 12% | 13% | |
| **Leadership Indicators** | | | | | | | |
| 1 | Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): | | | | | | |
| | Details of negative social impact identified | | | | Corrective action taken | | |
| | Not Applicable | | | | | | |

| 2 | Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: | | |
|---|---|---|---|
| S.No | State | Aspirational District | Amount spent (In INR) |
| Nil | | | |

| 3 | | | |
|---|---|---|---|
| | a. | Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) | No, the Company does not have any preferential procurement policy focusing on suppliers from marginalized/vulnerable groups. |
| | b. | From which marginalized /vulnerable groups do you procure? | Not Applicable |
| | c. | What percentage of total procurement (by value) does it constitute? | Not Applicable |

| 4 | Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: | | | |
|---|---|---|---|---|
| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
| Nil | | | | |

| 5 | Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. | |
|---|---|---|
| Name of authority | Brief of the Case | Corrective action taken |
| Not Applicable | | |

| 6 | Details of beneficiaries of CSR Projects: | | |
|---|---|---|---|
| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
| CSR projects undertaken by the company are focused on reaching out to and helping those in need. Company has undertaken CSR initiatives for the local community around the manufacturing unit. Initiatives are listed below:<br>- De clogging of water during Monsoon season with the help of JCBs,<br>- Food Distribution for underprivileged communities,<br>- Funeral expenses support to the locals near manufacturing unit<br>Company is not able to estimate the no. of beneficiaries. | | | |

| PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner | | |
|---|---|---|
| **Essential Indicators** | | |
| 1 | Describe the mechanisms in place to receive and respond to consumer complaints and feedback. | A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. |
| 2 | Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: | |

| Parameter | As a percentage to total turnover (%) |
|---|---|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | NA |

3 Number of consumer complaints in respect of the following:

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | NA | NA | Nil | NA | NA |
| Advertising | Nil | NA | NA | Nil | NA | NA |
| Cyber-security | Nil | NA | NA | Nil | NA | NA |
| Quality of Products | 3 | 0 | - | Nil | NA | NA |
| Delivery of essential services | Nil | NA | NA | Nil | NA | NA |
| Restrictive Trade Practices | Nil | NA | NA | Nil | NA | NA |
| Unfair Trade Practices | Nil | NA | NA | Nil | NA | NA |
| Total | 3 | 0 | | Nil | NA | |

4 Details of instances of product recalls on account of safety issues:

| Type | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | NA |
| Forced recalls | Nil | NA |

| | | |
|---|---|---|
| 5 | Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. | Yes, the Company has Internal Cyber Security Policy. From governance perspective, cyber risks are monitored and mitigated through the Risk Management framework stated in Risk Management Policy.<br><br>Web-link of policy: http://www.orchidpharma.com/downloads/RMC%20Policy.pdf |
| 6 | Provide of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product | For FY 2023-24, there were no complaints received for issues pertaining to the delivery of essential services, advertising, action |

| | | | |
|---|---|---|---|
| | recalls; penalty / action taken by regulatory authorities on safety of products / services. | | taken by regulatory authorities on the safety of products/services. |
| 7 | Provide the following information relating to data breaches: | | |
| | a. | Number of instances of data breaches along -with impact | Nil |
| | b. | Percentage of data breaches involving personally identifiable information of customers | NA |
| | c. | Impact, if any, of the data breaches | NA |
| | **Leadership Indicators** | | |
| 1 | Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). | | The Company's website provides detailed information on the products sold region - wise.<br>Website:<br>http://www.orchidpharma.com/index.html |
| 2 | Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. | | The company provides all the important and relevant information on the label of the product and adhere to regulatory guidelines. |
| 3 | Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. | | The company inform the customers and relevant stakeholders,<br>months prior of discontinuation on any scheduled closure<br>through press release and on the company website. |
| 4 | Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major p roducts / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) | | No |

**Annexure- III to the Board's Report**

**FORM- AOC-1**

# Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

*{Pursuant to First proviso to sub-section (3) of section 129 read with Rule 5 of companies (Accounts) Rules, 2014}*

**Part "A": Subsidiaries**

| S. No. | Name of the subsidiary | Orchid Pharmaceuticals Inc., and Subsidiaries, USA | | Bexel Pharmaceuticals Inc., USA | | Diakron Pharmaceuticals Inc, USA | | Orchid Bio Pharma Ltd, India |
|---|---|---|---|---|---|---|---|---|
| 1 | The date since when subsidiary was acquired | 25.08.2005 | | 13.10.2005 | | 28.07.2010 | | 24.03.2022 |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Apr '23 - March '24 | | Apr '23 - March '24 | | Apr '23 - March '24 | | Apr '23 - March '24 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | USD<br>Exchange Rate: 83.71 | | USD<br>Exchange Rate: 83.71 | | USD<br>Exchange Rate: 83.71 | | Rs. in Lakhs |
| | | $ | Rs in Lakhs | $ | Rs in Lakhs | $ | Rs in Lakhs | Rs in Lakhs |
| 4 | Share capital | 100.00 | 0.08 | 35,895.27 | 30.04 | 0.00 | 0.00 | 1,500.00 |
| 5 | Reserves & surplus | (60,73,307) | (5,083.97) | (2,13,051) | (178.35) | (3827116) | (3,203.68) | (5.19) |
| 6 | Total assets | 11,40,695.00 | 954.88 | 5.00 | 0.004 | 3228.45 | 2.70 | 2360.35 |
| 7 | Total Liabilities | 11,40,695.00 | 954.88 | 5.00 | 0.004 | 3228.45 | 2.70 | 2360.35 |
| 8 | Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| 9 | Turnover | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| 10 | Profit before taxation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 42.18 |
| 11 | Provision for taxation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.71 |
| 12 | Profit after taxation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 31.46 |
| 13 | Proposed Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| 14 | % of shareholding | 100% | | 100% | | 76.65% | | 100% |

*Note: Orchid Pharmaceuticals SA (Proprietary) Limited, a Wholly owned subsidiary of the Company stands deregistered vide Certificate dated January 31, 2024 issued by "Companies and Intellectual Property Commission", Pretoria South Africa.*

## Part “B”: Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

| | | |
|---|---|---|
| 1 | Name of Associates/Joint Ventures | OrBion Pharmaceuticals Private Limited |
| 2 | Date on which Associate or joint venture was associated/ acquired | 14.06.2021 |
| 2 | Latest audited Balance Sheet date (Unaudited) | 31.03.2024 |
| 3 | Shares of Associate/Joint Ventures held by the company on the year end | |
| | No. | 4,55,00,000.00 |
| | Amount of Investment in Associates/Joint Venture | 45,50,00,000.00 |
| | Extend of Holding % | 26% |
| 4 | Description of how there is significant influence | Associate |
| 5 | Reason why the associate/joint venture is not consolidated | Not Applicable |
| 6 | Net worth attributable to Shareholding as per latest audited Balance Sheet | 37,20,51,941.00 |
| 7 | Profit / Loss for the year | |
| | i. Considered in Consolidation (Loss) | (2,89,77,828.00) |
| | ii. Not Considered in Consolidation | Nil |

OrBion Pharmaceuticals Private Limited was incorporated on May 31, 2021 & Unaudited financials have been considered for consolidation .

1. Names of associates or joint ventures which are yet to commence operations -Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year -Nil

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**

**Sd/-**
**Manish Dhanuka**
**Managing Director**
**DIN: 00238798**
Place: Gurugram
Date: May 23, 2024

**Sd/-**
**Mridul Dhanuka**
**Whole-Time Director**
**DIN: 00199441**

**Sd/-**
**Sunil Kumar Gupta**
**Chief Financial Officer**

**Sd/-**
**Kapil Dayya**
**Company Secretary**

# Annexure IV to the Board's Report
## Form No. AOC-2
## (Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at Arm's length basis:
   **Not applicable**, since all contracts or arrangements or transactions with related parties are at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis:

| S. No. | Particulars | Details |
|---|---|---|
| a) | Name(s) of the related party | Otsuka Chemicals (India) Private Limited |
| | Nature of relationship | a private company in which:<br>- two Directors of the Company are Members and<br>- one Director is a Director |
| b) | Nature of contracts/ arrangements/ transactions | Purchase of raw materials |
| c) | Duration of the contracts/ arrangements/ Transactions | April 2023- March 2024 |
| d) | Salient terms Including justification for the contracts or arrangements or transactions including the value, if any | The related party transactions entered during the year were in the ordinary course of business and at arm's length basis. Otsuka Chemical (India) Private Limited is the only approved source of the Key Raw Material GCLE for the Company.<br><br>The aggregate amount of transactions entered into during the financial year ended on March 31, 2024 was Rs.169.90 Crores |
| e) | Date(s) of approval by the Board, if any | May 10, 2023 |
| f) | Amount paid as advances, if any | Nil |

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**

**Sd/-**
**Manish Dhanuka**
**Managing Director**
**DIN:00238798**

**Sd/-**
**Mridul Dhanuka**
**Whole-Time Director**
**DIN:00199441**

**Place: Gurugram**
**Date : July 19, 2024**

## Annexure- V to the Board's Report

# ORCHID's Annual Report on Corporate Social Responsibility


**1. A brief outline of the Company's Corporate Social Responsibility Policy**

Your Company strives to be an ideal corporate entity ensuring social and ecological harmony with all its stakeholders by following ethical values in its business operations and incorporating sustainable development strategies.

Special emphasis is towards Corporate Governance Practices, Worker's Rights and Welfare, Safety, Health & Environment and Activities for social and inclusive development. Your Company intends to move forward in the same direction.

**2. Composition of Corporate Social Responsibility Committee ("CSR Committee")**

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Manish Dhanuka | Chairman- Managing Director | 0 | 0 |
| 2 | Mr. Mridul Dhanuka | Whole Time Director | 0 | 0 |
| 3 | Dr. Dharam Vir | Independent Director | 0 | 0 |

**3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company**

The Composition of CSR Committee, as disclosed above in this report, is available on the website of the Company at http://www.orchidpharma.com/invr_comm_comp.html

The CSR Policy of Orchid Pharma Limited as approved by the Board is uploaded on the website at http://www.orchidpharma.com/downloads/Orchid%20CSR%20Policy-approved.pdf.

Further, in accordance with the provisions of Section 135(5) of the Companies Act, 2013, the average net profits of the Company for three immediate preceding financial year had arrived to losses and therefore the CSR Obligation of the Company for the financial year 2023-24 was NIL, therefore, was not required to mandatorily contribute towards CSR activities.

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable-**
Not Applicable.

**5. (a) Average net profit of the company as per sub-section (5) of section 135:**
Rs. (994928000.00)

**(b) Two percent of average net profit of the company as per sub-section (5) of section 135:** Not Applicable

**(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Not Applicable

**(d) Amount required to be set-off for the financial year, if any:** Not Applicable

**(e) Total CSR obligation for the financial year [(b)+(c) -(d)]:** Not Applicable

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)-** Not Applicable

**(b) Amount spent in Administrative overheads**: Not Applicable

**(c) Amount spent on Impact Assessment, if applicable**- Not Applicable

**(d) Total amount spent for the Financial Year [(a)+(b)+(c)] -** Not Applicable

**(e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| NA | NA | _ | _ | NA | _ |

**(f) Excess amount for set-off, if any:** Not Applicable

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

| S. no. | Preceeding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in Rs.) | Balance Amount in Unspent CSR Account under section 135(6) (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to section 135(5), if any | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
|---|---|---|---|---|---|---|---|

| | | | | | Amount (in Rs.) | Date of transfer | |
|---|---|---|---|---|---|---|---|
| 1 | FY-1 | Nil | Nil | Nil | Nil | _ | _ |
| 2 | FY-2 | Nil | Nil | Nil | Nil | _ | _ |
| 3 | FY-3 | Nil | Nil | Nil | Nil | _ | _ |

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135-** Not Applicable

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

Place: Gurugram
Date: July 19, 2024

Sd/-
**Manish Dhanuka**
Chairman(CSR Committee) &
Managing Director
DIN:00238798

Sd/-
**Mridul Dhanuka**
Whole Time Director
DIN:00199441

## Annexure VI to the Board's Report

**Conservation of Energy**

**(Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014**

### (a) Energy Conservation Measures Taken

**The following energy conservation measures were taken by your Company during the year under review at its manufacturing facility in Alathur**

- Installed new energy efficient Chiller with Variable Frequency Drive (VFD) for Utility-3 plant in place of Kirloskar centrifugal chiller with an annual saving of 8 lakh units.
- Installed new energy efficient VFD based -10 deg C 150 TR brine chiller in place of existing old chiller with an annual saving of 5.625 lakh units.
- Replacement of Microbiology plant air cooled chiller by energy efficient water cooled chiller thereby a saving of 66 lakh units per annum saving is achieved.
- Installed energy efficient Effluent treatment system to reduce thermal & electrical energy consumption for an annual saving of 11.25 lakh units.

Due to the implementation of various energy conservation activities mentioned in (a) above, the annual saving is 33.123 lakh units which contributed in reduction of emission of $CO^2$ by approx. 2700 tons this year.

### (b) Proposed energy conservation measures

Some of the proposals that are considered / being implemented for saving energy are:

- Exploring of Low temperature Mechanical Vapour Recompression in ETP plant.
- Installation of VFD for existing +7 Water cooled Kirloskar Chiller & Frick chillers for -25 deg C brine circulation system. Expected annual saving – 5.625 lakh units.
- Installation of VFD based Atlas Air compressor for plant air requirements. Expected annual saving – 7.25 lakh units.
- Proposal of Water cooled VFD based chiller in place of Air cooled chiller in Ph6 & 14. Expected annual saving – 12.75 lakh units.

- Installation of STP for reducing the effluent treatment cost. Expected annual saving – 3.75 lakh units.

- Proposal of -40 deg C VFD based brine chilling plant for process requirement. Expected annual saving – 4.75 lakh units.

- Other proposals are also being explored for energy saving.

Further, the energy conservation measures proposed to be taken up by the company as mentioned in (b) above are expected to bring in savings of around 34.125 lakh units annually which will result in reduction of emission of $CO_2$ by approx. 2800 tons yearly.

**(c) The steps taken by the Company for utilizing alternate sources of energy**

- Captive Power Purchase of electrical energy through Hybrid (Wind cum Solar) Power plant for an annual energy consumption of 180 Lakh units per annum has resulted in a saving of 44.62 lakh units per annum resulting to reduction of emission of $CO_2$ by 3650 tons yearly. The alternate energy is 43% of the annual energy consumption of the Company.

**(d) Capital Investment on Energy Conservation Equipment:**

Rs. 276 Lakhs of capital investment was made on energy conservation equipment during the Financial Year 2023-24.

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place: Gurugram** | **Manish Dhanuka** | **Mridul Dhanuka** |
| **Date : July 19, 2024** | **Managing Director** | **Whole Time Director** |
| | **DIN:00238798** | **DIN:00199441** |

# Annexure VII to the Board's Report – Technology Absorption

## I. Chemistry & Technology Development

Chemistry & Technology Development (CTD) Centre is also called R&D. A specialized department is responsible for developing new technologies and techniques for the manufacturing process for new Cephalosporin both oral & injectable APIs and also for new molecules.

Orchid's expertise encompass the entire spectrum of Pharmaceutical R&D

1. Biotech R & D
2. Synthesis R&D including Polypeptide synthesis Division
3. Analytical R&D
4. Intellectual Property Management
5. Continuous Improvement R&D

All these combined; give us the strength and ability to file First to File Para- IV applications for US and other regulatory markets.

Orchid's CTD has extended its support to new customers and new markets on intellectual property review, FTO analysis, invalidation/non-infringement of IP approach, apart from generation of scientific and evidence-based justifications to meet the requirement of regulatory agencies and ensure smooth IP pathway.

Orchid's CTD has also supported internal and external customers by generating and providing standards of related substances and working standards for substantiating the dossiers filed and manufacturing of APIs. Evaluation of New monograph and verification studies were carried out to permit API and formulation business in various markets.

In order to meet the emerging requirement from regulatory agencies from across the world, CTD has taken up comprehensive analysis of the manufacturing processes of Cephalosporin with respect to the possibility of traces of Nitrosamines and assessment of potential Genotoxic impurities through in-Silico analysis coupled with scientific data.

Orchid has set up new Biotech R&D facility for backward integration of 7-ACA through Fermentation Technology.

## II. Expenditure on CTD

The CTD outlay was as follows:

**₹ in Lakhs**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| a) Capital | 7.61 | Nil |
| b) Recurring | 709.37 | 636.21 |
| c) Total | 716.98 | 636.21 |
| d) Total R&D expenditure as a percentage of the total turnover | 0.88% | 0.96% |

## III. Technology absorption, adaption and innovation

### 1. Efforts in brief made towards technology absorption, adaption and innovation

Orchid's CTD has successfully completed developing non-infringing process for one of the Beta-Lactamase Inhibitor.

In addition, completed the development work for the manufacturing technology for a new 5th generation antibiotic to fulfil the global requirement.

Orchid's New Drug Discovery & Formulation team had developed novel combination drug Enmetazobactam is a novel penicillanic acid sulfone ESBLs, an extended spectrum beta-lactamases inhibitor with the 4th generation cephalosporin antibiotic Cefepime Hydrochloride to provide a "novel therapeutic option addressing serious threat of Antibiotic Microbial Resistance" to launch in India.

Orchid's CTD has extended supporting with technical challenges as well as analytical requirements for the transferred APIs and existing Cephalosporin products to file the dossiers and gain approval of dossiers. In order to respond to queries from regulatory agencies, internal customers in other locations and external customers from various countries.

Orchid's APIs in Cephalosporin, extensive scientific rationale and analytical data were provided to gain regulatory approval and progress towards commercializing the products. Such activities include extensive impurity profiling, analytical method development, method validation, assessment of APIs in regulatory perspective, inorganic elemental impurities (as per ICH Q3D employing ICPMS), polymorphism, carry over studies, trace impurity and ion analysis, etc., through appropriate techniques.

**2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.**

Orchid's development team has successfully transferred the manufacturing technology for Avibactam – Ceftazidime API combination drug for domestic market.

Orchid's CTD has successfully completed new manufacturing technology for new 5$^{th}$ generation Cephalosporin and ready for scale-up. This is one more new product in Orchid's product portfolio.

The new combination drug of **Cefepime / Enmetazobactam** has been granted "Qualified Infectious Disease Product (QIDP) and Fast Track designation" by the US FDA, which will provide five years' additional market exclusivity and priority FDA review. This is also one more new product in Orchid's product portfolio.

As a part of continuous improvement program, implemented the newly developed technology for solvent recovery process to lead to reduction in the cost of manufacturing of the class comprising quaternary Cephalosporin.

In-House impurity standards and working standards were synthesized apart from characterization of impurities for Cephalosporin, to support filing of dossiers and continuance of commercial manufacturing.

Orchid's CTD has supported to generate scientific evaluation of potential formation of trace quantities of nitrosamines in the API and comprehensive genotoxic alert study (in silico) report on potential impurities, with a view to comply with the requirement of regulatory agencies across the world. In addition, received regulatory approvals for many existing Cephalosporin from customers and regulatory agencies, which has helped the business.

**3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)**

| | |
|---|---|
| a) Technology | 1. Manufacturing of 7ACA, one of the KSM for Antibiotics.<br><br>2. Development of Cephalosporin which is imported from the innovator company at Japan |

| | |
|---|---|
| b) Year of import | 2023 |
| c) Has this technology been fully absorbed | Absorbed |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof and plans of action. | No |

### 4. Specific areas of benefits from CTD & future Plan 2024- 2025

Orchid is in the process of developing backward integration of 7-ACA from Ceph-C, one of the key raw material of Cephalosporin.

Planning for the initiation of Peptide synthesis in this financial year.

Orchid's novel combination drug with Enmetazobactam – Cefepime is planned to be launched in India.

Orchid's CTD team has planned to commercialize Enmetazobactam – combination drug for the market exclusively for Domestic market.

Orchid's CTD has planned to develop Cephalosporin drugs in combination of Beta Lactamase inhibitors like **Avibactam** to enhance the business revenues. This will be a one more new product in Orchid's product portfolio.

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place: Gurugram** | **Manish Dhanuka** | **Mridul Dhanuka** |
| **Date : July 19, 2024** | **Managing Director** | **Whole Time Director** |
| | **DIN:00238798** | **DIN: 00199441** |

## Annexure VIII to the Board's Report
## FOREIGN EXCHANGE EARNINGS & OUTGO

**a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans.**

The company is continuously focused on increasing the sale and distribution of its products in regulated markets including United States, Canada, Europe, Japan, Australia and China etc.

**b) Total foreign exchange earnings and outgo**

| S. No. | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| 1 | **Earnings in foreign exchange during the year** | | |
| | F.O.B value of exports | 65,936.30 | 54,517.16 |
| | Export of services (net of TDS) | - | - |
| 2 | **C.I.F. value of imports (on cash basis)** | | |
| | Raw materials & Packing materials | 24,794.86 | 24,897.93 |
| | Capital goods | 37.01 | 771.10 |
| | Spare parts, components and consumables | 90.69 | 115.03 |
| 3 | **Expenditure in foreign currency during the year (on cash basis)** | | |
| | Travelling expenses | - | - |
| | Interest and bank charges | - | 668.52 |
| | Professional / Consultancy fees | - | - |
| | Others | 2,126.42 | 807.06 |
| 4 | **Dividend remittances in foreign currency during the year** | | |
| | Net dividend | - | - |
| 5 | **Total foreign exchange used (2+3+4)** | **27,048.98** | **27,259.64** |

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**

**Place: Gurugram**

**Date: July 19, 2024**

Sd/-
**Manish Dhanuka**
**Managing Director**
**DIN:00238798**

Sd/-
**Mridul Dhanuka**
**Whole-Time Director**
**DIN:00199441**

## Annexure IX to the Board's Report

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**a.** The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year Except for Mr. Manish Dhanuka, Managing Director and Mr. Mridul Dhanuka, Whole Time Director, none of the other directors were in receipt of remuneration for the Financial Year 2023-2024.

| Name of Director | Director's Remuneration (In Rs. Lakhs) | | Median remuneration of employees for the FY 2023-2024 (in Rs.) | Ratio of remuneration of each Director to median remuneration of employees | | |
|---|---|---|---|---|---|---|
| | Gross Salary | Commission | | Gross Salary | Commission | Total |
| Mr. Manish Dhanuka Managing Director | 95.22 | 259.88 | 38917 | 244.67 | 667.78 | 912.45 |
| Mr. Mridul Dhanuka Whole Time Director | 95.22 | 259.88 | 38917 | 244.67 | 667.78 | 912.45 |

**b. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year**

The details pertaining to percentage increase in the remuneration of the Directors (Except for Mr. Manish Dhanuka, Managing Director and Mr. Mridul Dhanuka, Whole Time Director) cannot be calculated for the reasons as stated in the point no. (a) above.

| Name of the KMP/ Designation | % Increase in remuneration in 2024 as compared to 2023 | | |
|---|---|---|---|
| | Gross Salary | Commission | Total |
| Mr. Manish Dhanuka, Managing Director | 10% | 593% | 200.67% |
| Mr. Mridul Dhanuka, Whole Time Director | 10% | 593% | 200.67% |
| Mr. Sunil Kumar Gupta, Chief Financial Officer | Not Applicable @ | | |
| Mr. Kapil Dayya, Company Secretary | Not Applicable* | | |

@ Mr. Sunil Kumar Gupta, Chief Financial Officer did not draw any remuneration from the Company for the Financial Year 2022-2023 therefore the remuneration drawn during 2023-24 could not be compared.

*Mr. Kapil Dayya was appointed as Company Secretary (designated as KMP) w.e.f. December 16, 2023. Hence no comparison could be stated.

**c. Percentage increase in median remuneration of employees in the Financial Year**

The percentage increase in median remuneration of employees w.r.t the Salary during the financial year was 10%.

**d. Number of permanent employees on the rolls of Company (as of 31st March, 2024):** 923

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Increase of remuneration on the verge of gross salary for employees other than the managerial personnel was 9.7% and for managerial personnel employed as Managing Director and Whole Time Director was 10%, in accordance with the Nomination & Remuneration Policy and Members approval. Further, aforesaid managerial personnel was also paid commission of 2% on the Cash profits generated by the Company, which is 73.20% of the total remuneration paid to them. The stated commission had increased by 593% due to swift increase in the profits of the Company. The Company does regular benchmarking of compensation paid to the managerial personnel.

**f. Affirmation that the remuneration is as per the Remuneration policy of the Company**

It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

**g. (i) the names of the top ten employees in terms of remuneration drawn:**

| Name of Employee | Designation | CTC in lakhs | Nature of employment (Contractual or otherwise) | Qualification | Experience | Date of Joining | AGE | Last employment held | % of Equity shares held by Company | Whether related to any Director of the Company |
|---|---|---|---|---|---|---|---|---|---|---|
| Mr. Rajnish Rohatgi | CEO - Orchid AMS | 140.09 | Otherwise | B. Tech Metallurgy (1984) | 37 Years | 15.09.2023 | 61 | Aglet Makers & Independent Consultant | 0.00 | No |
| Mr. Sarangdhar R J | Vice President - (Unit Head - API &FDF) | 73.06 | Otherwise | B Sc (1985), M Sc (1987), Ph D-Chem(2012) | 35 Years | 19.07.1994 | 60 | Lupin Laboratories Ltd. | 0.00 | No |
| Mr. Prabhu Vinayagam | Head - Medico Marketing | 72.00 | Otherwise | M.B.B.S (1992) | 26 Years | 01.11.2023 | 54 | Mandalar Group of Hospitals Myanmar | 0.00 | No |
| Mr. Sunil Kumar Gupta | CHIEF FINANCIAL OFFICER | 54.83 | Otherwise | Chartered Accountant | 38 Years | 29.06.2020 | 61 | Dhanuka Laboratories | 0.00 | No |
| Mr. Srinivasan s | Head - CTD & IPM | 51.73 | Otherwise | M Sc Chem (1992),M Phil (2007), Ph D chem(2011) | 31 Years | 12.10.2021 | 53 | Flemings Lab | 0.00 | No |
| Mr. Thirunavukkarasu R | General Manager - Quality Control | 41.21 | Otherwise | M Sc (chem) 1990) M phil (1992) | 28 Years | 21.10.2020 | 56 | Harman Finochem Ltd | 0.00 | No |
| Mr. Antony Martin | SGM- Production (Non Sterile),PP&Utility | 38.31 | Otherwise | B Sc(1987), Msc(chem)(1989) | 30 Years | 10.11.1995 | 57 | Grasim Industries | 0.00 | No |
| Mr. Paranitharan A | Senior General Manager | 38.19 | Otherwise | B.E. Mech (1994) | 40 Years | 10.05.2023 | 58 | Crimsun Organics | 0.00 | No |
| Mr. Pragati Kumar Patro | Head - Information Technology | 36.69 | Otherwise | B Sc (1995) Aptech IT (1997) | 21 Years | 15.02.2007 | 49 | I Soft R & D Pvt Ltd | 0.00 | No |
| Mr. Ashok Clifford D | Head - Human Resources | 33.39 | Otherwise | B.Com., MSW | 29 Years | 18.01.2001 | 51 | G M Pens & Executive | 0.00 | No |

For and on behalf of the Board of Directors of

**Orchid Pharma Limited**

Sd/-

**Manish Dhanuka**

**Managing Director**

**DIN:00238798**

Sd/-

**Mridul Dhanuka**

**Whole-Time Director**

**DIN:00199441**

**Place: Gurugram**

**Date: July 19, 2024**

## Annexure X to the Board's Report

FORM NO. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To
The Members,
**ORCHID PHARMA LIMITED,**
Chennai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ORCHID PHARMA LIMITED**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on **March 31, 2024,** appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minutes' Book, Forms and Returns filed and other records maintained by the Company and made available to us, for the financial year ended on **March 31, 2024** according to the applicable provisions of:

i) The Companies Act, 2013 (the Act) and the Rules made thereunder as applicable;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.
v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT') to the extent applicable during the year:-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    e) The Securities and Exchange Board of India(Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India(Delisting of Equity Shares) Regulations, 2021; and
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We have examined in a very limited manner, the systems and processes in place to ensure compliance with specific laws like the Environment (Protection) Act, 1986, The Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981, The Drug and Cosmetics Act, 1940, The Petroleum Act, 1934, Indian Boilers Act, 1923 and The Narcotic Drugs and Psychotropic Substances Act, 1985 considering and relying upon confirmations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2), and
ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied, in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as stated below:

- Non maintenance of Minimum Public Shareholding as prescribed under Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (LODR) Regulations, 2015 - the Company received email from National Stock Exchange of India Limited and BSE Limited (collectively referred as "Stock Exchanges") on May 25, 2023 imposing fine and seeking clarification from the Company for non-compliance. The Company paid the fine and responded to the Stock Exchanges by 31$^{st}$ May, 2023 and further the company made qualified institutions placement of equity shares on 27$^{th}$ June, 2023 and the listing approval for same was received on 30th June, 2023; thereafter the requirement of Minimum Public Shareholding has been complied with;

- Limited review by statutory auditor of audit of companies whose accounts are consolidated with the company as required under Regulation 33(8) of SEBI (LODR) Regulations, 2015 has not been carried as stated in the report of the Statutory Auditor on the consolidated financial statements of the Company.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the Statutory Authorities and Letters/Notices received by the Company during the financial year under various enactments as applicable to the company.

**We further report** that**,** subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the provisions of the Act and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that, as per the information provided to us, during the audit period, we came across a number of legal proceedings pending against the company including its erstwhile management and by the company.

**We further report that,** during the audit period, the Company has sought approval from its members for the following business (Other than Ordinary Business):

a) Ratification of Remuneration to the Cost Auditor for the Financial year 2023-24;
b) Shifting of Registered office of the Company outside the local limits of the city but within the jurisdiction of same State and Registrar of Companies;
c) Approval for Material Related Party Transactions with M/s. Otsuka Chemicals (India) Private Limited;
d) Approval of limit of managerial remuneration payable to Shri Manish Dhanuka (DIN:00238798), Managing Director of the Company;
e) Approval of limit of managerial remuneration payable to Shri Mridhul Dhanuka (DIN:00199441), Whole-Time Director of the Company; and
f) Appointment of Mr. Arjun Dhanuka (DIN: 00454689) as Non-executive director of the Company.

**We further report that** our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company. The compliance with provisions of applicable laws which have been subject to other audits have not been independently reviewed by us and the reports wherever shown to us have been relied upon in rendering our report.

**We further report that** we have conducted the secretarial audit whenever required through online verification and examination of records, as requested and facilitated by the company, for the purpose of issuing this Report.

**For S DHANAPAL & ASSOCIATES LLP**
**(Practicing Company Secretaries)**
**(Firm Regn. No. L2023TN014200)**
**LLPIN: ACB 0368**

Sd/-
**N. RAMANATHAN**
**(Designated Partner)**
**FCS. 6665**
**CP No. 11084**
**Peer Review Certificate No.1107/2021**
**UDIN : F006665F000759021**

**Place: Chennai**
**Date: 17.07.2024**

This Report is to be read with our testimony of even date which is annexed as Annexure and forms an integral part of this report.

**Annexure to Secretarial Audit Report**

To
The Members,
**ORCHID PHARMA LIMITED,**
Chennai

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“CSAS”) prescribed by the Institute of Company Secretaries of India (“ICSI”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, financial statements and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S DHANAPAL & ASSOCIATES LLP**
**(Practicing Company Secretaries)**
**(Firm Regn. No. L2023TN014200)**
**LLPIN: ACB 0368**

Sd/-
**N. RAMANATHAN**
**(Designated Partner)**
**FCS. 6665**
**CP No. 11084**
**Peer Review Certificate No.1107/2021**
**UDIN : F006665F000759021**

**Place: Chennai**
**Date: 17.07.2024**

OrchidPharma

A Dhanuka Group Company


# STANDALONE FINANCIAL STATEMENT

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Orchid Pharma Limited**

**Report on the Audit of the Standalone financial statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Orchid Pharma Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act"") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

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

Note 42 to the financial statements relating to the fact that the Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Company disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to Rs.3,871.68 Lakhs unto March 31, 2024 in respect of the aforesaid lease. The same has been treated as contingent liability in the Standalone financial statements of the company.

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

Our opinion on the standalone financial statements is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the matter stated below, our description of how our audit addressed the matter is provided in that context.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **1.Revenue Recognition (Refer Note 3 (c) and 30 to the Standalone financial Statements)** | |
| Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.<br>We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Company, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred. | As part of our audit procedures, we:<br>➢ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115.<br>➢ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue.<br>➢ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **1.Revenue Recognition (Refer Note 3 (c) and 30 to the Standalone financial Statements)** | |
| | ➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents.<br>➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115. |

**Information Other than the financial statements and Auditor's Report Thereon**

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the standalone Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 these standalone financial statements.

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 standalone financial statements, 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

in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 financial statements 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 the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the “Order”), we give in the “Annexure A” statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   ( c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(I). The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

(ii). The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(iii). There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) **a)** The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

**b)** The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the standalone financial statements, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

**c)** Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The company has neither declared or paid any dividends during the year and accordingly reporting on compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

(vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

**For Singhi & Co.**
Chartered Accountants
Firm Registration No: 302049E

sd/-
**Sudesh Choraria**
Partner
Membership No: 204936
UDIN: 24204936BKGEAQ1396

Date: May 23, 2024
Place: Mumbai

**Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2024**

(Referred to in paragraph 1 of our Report on Other legal and regulatory requirements)

We report that:

i. In respect of its Property Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, the Company has a regular program of conducting physical verification of its property, plant and equipment in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

c) According to the information and explanations given to us and on the basis of our examination of the conveyance deeds provided to us, we report that, the title deeds of immovable properties (other than self - constructed immovable property (buildings), and where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company

ii. In respect of its Inventories:

a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods, Traded Goods and by products (other than inventories lying with third parties), and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed in excess of Rs. five Crore from banks or financial institutions during the year on the basis of security of current assets of the Company, the Quarterly return / statements which have been regularly submitted by the company are in agreement with the books of accounts, except in the following cases:

| Quarter ended | As per financials (Rs. in Lakhs) | As per returns filed with banks (Rs. in Lakhs) | Variance (Rs. in Lakhs) | Reasons for variance |
|---|---|---|---|---|
| June 30, 2023 | 20011.71 | 19297.30 | 714.41 | The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock of INR 475..55 lakhs. |

iii.

a) According to the information and explanations provided to us, the Company has granted a loan of Rs.766.44 lakhs (including accrued interest) to its subsidiary company during the year and the company has made investments in the equity shares of a subsidiary company amounting to Rs.1499.90 lakhs. The Closing balance outstanding of Loans advanced to the subsidiary amounted to Rs.788.97 Lakhs.

b) The loan given and investments made are, in our opinion, prima facie, not prejudicial to the company's interest. The Company has not provided any guarantee or security or granted loans or advances in the nature of loans during the year. The loans given to subsidiaries and other parties during the pre- CIRP period have been fully provided for.

c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipt of principal amount and interest have been regular as per stipulations.

d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than 90 days as at the year end.

e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the said parties.

f) During the year, the Company has not granted any loans or advances in the nature of loans, which are either repayable on demand or without specifying any terms or period of repayment. Therefore, provisions of clause 3(iii)(f) of the Order is not applicable to the Company

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the loans given and investments made. The Company has not provided any guarantee or security during the year. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

vi. We have broadly reviewed the cost records maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

a) the Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There were no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.

b) No undisputed amounts payable in respect of goods and service tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31,2024 for a period of more than six months form the date they become payable.

c) According to the information and explanations given to us and as confirmed by the Resolution Professional (RP) and the Successful Resolution Applicant, in view of the implementation of the resolution plan as approved by the Hon'ble National company Law Tribunal (based on the order of the Hon'ble Supreme Court of India), except to the extent of payment to the stakeholders as per the approved Resolution Plan, the Company shall have no liability with respect to any claims relating in any manner to the period prior to "the effective date" i.e. Pre Corporate Insolvency Resolution Process period (pre-CIRP period). We were informed that to the extent of claims raised (pertaining to the Pre-CIRP period) by various statutory authorities and approved by the RP have been fully paid as part of the approved resolution plan. Accordingly, all other pending litigations relating to Pre-CIRP period are deemed to be extinguished as at March 31,2020, i.e., the date of implementation of the approved resolution plan. Accordingly, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited as at March 31,2024 on account of dispute.

viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

ix.

a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans availed were applied for the purpose for which they were availed. Further the Company has not availed any loans from Government or has not issued any debenture during the year.

d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.

e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for.

f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised funds by way of Qualified Institutional placement (QIP) during the year. The amounts raised have been partly utilized for the purposes for which the funds were raised and the remaining amount unutilized as at the year end has been temporarily deposited in a separate term deposit account pending its utilisation for the purposes for which it was raised. Refer Note 53 to the standalone financial statements for the details of funds raised and the status of its utilization.

b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

xi.

a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.

b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act,2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints have been received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.Accordingly, paragraph 3 (xvi)(a) of the Order is not applicable to the Company.

b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;

c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;

d) According to the representations given by the management, the Company does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;

xvi. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

xvii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

xviii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of Corporate Social Responsibility Expenditure:

According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, paragraph 3(xx) of the order is not applicable.

xxi. There are no qualifications or adverse remarks by the auditor in the Companies (Auditors Report) Order (CARO) report of a subsidiary included in the consolidated financial statements. Further, according to the information and explanations given to us, the financial statements of the other subsidiaries and an associate included in the consolidated financial statements are unaudited and as prepared by the management. Accordingly, the requirement to report on paragraph 3(xxi) of the Order is not applicable to the Holding company.

**For Singhi & Co**.
Chartered Accountants
Firm Registration No: 302049E

sd/-
**Sudesh Choraria**
Partner

Date: May 23, 2024
Place: Mumbai

Membership No: 204936
UDIN: 24204936BKGEAQ1396

**Annexure – B to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Standalone financial Statements as of and for the year ended March 31, 2024**

(Referred to in paragraph 2 (f) of our Report on Other legal and regulatory requirements)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**Opinion**

1. We have audited the internal financial controls over financial reporting of **Orchid Pharma Limited** ('the Company') as of and for the year ended March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Singhi & Co**.
Chartered Accountants
Firm Registration No: 302049E

sd/-
**Sudesh Choraria**
Partner

Date: May 23, 2024
Place: Mumbai

Membership No: 204936
UDIN: 24204936BKGEAQ1396

**<u>Declaration in respect of un-modified opinion on the Annual Audited Standalone Financial Results</u>**

Pursuant to Regulation 33 (3) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/56/2016 dated May 26, 2016, we hereby declare and confirm that the Statutory Auditors of Orchid Pharma Limited ("the Company"), M/s. Singhi & Co. have issued an un-modified Audit Report on Audited Standalone Financial Results of the Company for quarter/ year ended March 31, 2024.

**For Orchid Pharma Limited**

**Sd/-**
**Sunil Kumar Gupta**
**Chief Financial Officer**

**Date: May 23, 2024**

# Standalone Balance Sheet as at March 31, 2024

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

₹ in lakhs

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 61,512.13 | 57,267.07 |
| Intangible assets | 4 | 64.08 | 38.57 |
| Capital work in progress | 5 | 1,018.27 | 4,609.18 |
| Intangible assets under development | 5 | 1,427.77 | - |
| Right of use assets | 4 | 66.91 | - |
| Financial assets | | | |
| Investments | 6 | 6,939.79 | 5,011.85 |
| Other financial assets | 7 | 596.37 | 687.48 |
| Non Current tax assets (net) | 8 | 5,130.15 | 5,130.15 |
| Other non current assets | 9 | 235.89 | 202.11 |
| **Total non-current assets** | | **76,991.36** | **72,946.41** |
| **Current assets** | | | |
| Inventories | 10 | 26,422.61 | 22,873.80 |
| Financial assets | | | |
| Investments | 11 | - | - |
| Trade receivables | 12 | 18,937.04 | 21,190.73 |
| Cash and cash equivalents | 13 | 29.47 | 1,830.77 |
| Bank balances other than above | 14 | 25,693.26 | 402.91 |
| Loans to Subsidiaries | 15 | 788.97 | 469.72 |
| Other financial assets | 16 | 434.68 | 0.13 |
| Current tax assets (net) | 17 | 168.93 | 95.37 |
| Other current assets | 18 | 5,754.09 | 2,515.95 |
| **Total current assets** | | **78,229.05** | **49,379.38** |
| **Total Assets** | | **1,55,220.41** | **1,22,325.79** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 19 | 5,071.91 | 4,081.64 |
| Other equity | 20 | 1,16,759.79 | 69,114.62 |
| **Total equity** | | **1,21,831.70** | **73,196.26** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 12,020.91 | 14,883.76 |
| Lease Liabilities | 22 | 37.00 | - |
| Provisions | 23 | 363.37 | 1,260.18 |
| Deferred Tax Liability (Net) | 24 | - | 322.62 |
| **Total non-current liabilities** | | **12,421.28** | **16,466.56** |

# Standalone Balance Sheet as at March 31, 2024

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

₹ in lakhs

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 25 | 1,404.75 | 18,250.81 |
| Lease Liabilities | 26 | 33.33 | - |
| Trade payables | 27 | | |
| - Outstanding Dues of Micro and Small Enterprises | | 866.53 | 158.44 |
| - Outstanding Dues of Creditors other than Micro and Small Enterprises | | 17,072.35 | 12,752.17 |
| Short term provisions | 28 | 208.47 | 348.60 |
| Other current liabilities | 29 | 1,382.00 | 1,152.95 |
| **Total current liabilities** | | **20,967.43** | **32,662.97** |
| **Total Liabilities** | | **33,388.71** | **49,129.53** |
| **Total Equity and Liabilities** | | **1,55,220.41** | **1,22,325.79** |
| Material Accounting Policies | **3** | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# Standalone Profit & Loss as at March 31, 2024

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

₹ in lakhs

| | | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **Continuing Operations** | | | | |
| **A** | **Income** | | | |
| | Revenue from operations | 30 | 81,936.82 | 66,589.84 |
| | Other income | 31 | 3,038.94 | 1,943.05 |
| | **Total income** | | **84,975.76** | **68,532.89** |
| **B** | **Expenses** | | | |
| | Cost of materials consumed | 32 | 52,835.31 | 40,609.61 |
| | Changes in inventories of finished goods and WIP | 33 | (4,389.40) | (2,147.54) |
| | Employee Benefits Expense | 34 | 6,964.17 | 6,535.04 |
| | Depreciation and amortisation expense | 35 | 3,321.90 | 5,478.68 |
| | Finance costs | 36 | 1,632.75 | 3,222.57 |
| | Other expenses | 37 | 15,458.70 | 13,230.88 |
| | **Total expenses** | | **75,823.43** | **66,929.24** |
| **C** | **Profit / (Loss) before exceptional items and tax** | | **9,152.33** | **1,603.65** |
| | Exceptional items - Income / (Expenses) (Refer Note 54) | | - | 3,921.04 |
| **D** | **Profit / (Loss) before tax from continuing operations** | | 9,152.33 | 5,524.69 |
| | Income tax expense | | | |
| | Current tax | | - | - |
| | Deferred tax charge/ (credit) | 38 | (322.62) | - |
| | **Profit / (Loss) after tax from continuing operations** | | **9,474.95** | **5,524.69** |
| **Discontinuing Operations** | | | | |
| **E** | **Profit / (Loss) for the year from discontinued operations** | | **-** | **(105.81)** |
| | Tax expense of discontinued operations | | **-** | **-** |
| | **Profit / (Loss) from discontinued operations after tax** | | **-** | **(105.81)** |
| **F** | **Profit /(Loss) for the year** | | **9,474.95** | **5,418.88** |
| **G** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to profit or loss | | - | - |
| | Remeasurement of post employment benefit obligations | | (45.06) | (23.28) |
| | Gain/ (Loss) on fair valuation of investments | | 11.34 | 5.40 |
| | Income tax (charge)/ credit relating to these items | | - | - |
| | **Other comprehensive income for the year, net of tax** | | **(33.72)** | **(17.88)** |
| **Total comprehensive Profit/ (loss) for the year** | | | **9,441.23** | **5,401.00** |

# Standalone Profit & Loss as at March 31, 2024

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

₹ in lakhs

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Earnings per share** | 39 | | |
| Earnings per | | | |
| - Basic ( Rs.) | | 19.59 | 13.54 |
| - Diluted ( Rs.) | | 19.59 | 13.54 |
| Earnings per equity share ( For discontinued operations ) : | | | |
| - Basic ( Rs.) | | - | (0.26) |
| - Diluted ( Rs.) | | - | (0.26) |
| Earnings per equity share ( For discontinued & continuing operations) : | | | |
| - Basic ( Rs.) | | 19.59 | 13.28 |
| - Diluted ( Rs.) | | 19.59 | 13.28 |
| Material Accounting Policies | 3 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# Standalone cash flows for the year ended March 31, 2024

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

₹ in lakhs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Cash Flow From Operating Activities** | | |
| Profit/ (loss) before income tax | 9,152.33 | 5,418.88 |
| Adjustments for | | |
| Depreciation and amortisation expense of continuing operations | 3,321.90 | 5,478.68 |
| (Profit)/ loss on sale of fixed assets (Net) (including Exceptional item) | - | (3,998.50) |
| Loss on sale/ discard of property, plant and equipment | 18.84 | - |
| Advances / Debit balances written off (Net) | 46.27 | - |
| Interest income | (1,587.47) | (61.80) |
| Forex Gain/ (Loss) Unrealised | 762.64 | 651.48 |
| Allowance for expected credit loss | (26.51) | 118.83 |
| Finance costs | 1,632.75 | 3,222.57 |
| (Profit) / loss on sale of investments | - | (1.54) |
| | 13,320.75 | 10,828.60 |
| Change in operating assets and liabilities | | |
| (Increase)/ decrease in Other financial assets | (228.14) | (681.15) |
| (Increase)/ decrease in Inventories | (3,548.81) | (5,608.17) |
| (Increase)/ decrease in Trade Receivables | 2,540.21 | (4,870.12) |
| (Increase)/ decrease in Other assets | (3,318.19) | 721.40 |
| Increase/ (decrease) in Provisions and other liabilities | (759.34) | (581.61) |
| Increase/ (decrease) in Trade payables | 4,992.52 | 1,559.78 |
| **Cash generated from operations** | **12,999.00** | **1,368.73** |
| Less : Income taxes paid/ (refund received) | 73.58 | (29.85) |
| **Net cash from operating activities (A)** | **13,072.58** | **1,338.88** |
| **Cash Flows From Investing Activities** | | |
| Purchase of Property, plant and equipment (including changes in CWIP) | (5,515.25) | (8,455.30) |
| Sale proceeds of Property, plant and equipment | - | 93.55 |
| Net Sale proceeds of Land & Buildings | - | 5,761.00 |
| (Purchase)/ disposal proceeds of Investments (net) | (1,927.94) | (103.56) |
| (Investments in)/ Maturity of fixed deposits with banks | (25,290.35) | (27.27) |
| Interest received | 1,152.92 | 61.81 |
| **Net cash used in investing activities (B)** | **(31,580.62)** | **(2,669.77)** |
| **Cash Flows From Financing Activities** | | |
| Proceeds from issue of equity share capital (net of share issue expenses) | 39,194.21 | - |
| Proceeds / (Repayment) of Short term Borrowings (net) | - | 17,319.84 |
| Repayment of Long term Borrowings (net) | (20,854.72) | (10,980.63) |
| Finance costs | (1,632.75) | (3,222.57) |
| **Net cash from/ (used in) financing activities (C)** | **16,706.74** | **3,116.64** |
| **Net increase/decrease in cash and cash equivalents (A+B+C)** | **(1,801.30)** | **1,785.75** |
| Cash and cash equivalents at the beginning of the financial year | 1,830.77 | 45.02 |
| **Cash and cash equivalents at end of the year** | **29.47** | **1,830.77** |

# Standalone cash flows for the year ended March 31, 2024

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

₹ in lakhs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Notes:** | | |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements" | | |
| 2. Components of cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 27.65 | 1,830.11 |
| Cash on hand | 1.82 | 0.66 |
| | **29.47** | **1,830.77** |

**3. Reconciliation of Liabilities arising from financing activiities**

| Particulars | Outstanding as at 1st April, 2023 | Cash Flows | Non-Cash Changes | Outstanding as at 31 March, 2024 |
|---|---|---|---|---|
| Long Term Borrowings | 19039.52 | (8,164.42) | 1145.81 | 12020.91 |
| Short Term Borrowings | 14095.05 | (12,690.30) | | 1404.75 |
| Total Liabilities from financing activities | **33134.57** | **(20,854.72)** | **1145.81** | **13425.66** |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# Statement of Changes in Equity for the period ended March 31, 2024

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

| | |
|---|---|
| **(A) Equity Share Capital** | |
| **Balance at the end of March 31, 2022** | **4,081.64** |
| Changes in equity share capital due to prior period errors | |
| Changes in equity share capital during the year | - |
| **Balance at the end of March 31, 2023** | **4,081.64** |
| Changes in equity share capital due to prior period errors | |
| Changes in equity share capital during the year | 990.27 |
| **Balance at the end of March 31, 2024** | **5,071.91** |

**(B) Other Equity**

| Particulars | Capital Reserve | Capital Reserve on Amalgamation | Securities Premium Reserve | Equity component of Optionally convertible debentures | General Reserve | Other Comprehensive Income | Retained Earnings | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2022** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **(9.69)** | **(2,13,663.78)** | **63,713.62** |
| Total Comprehensive Income for the year | | | | | | **(17.88)** | **5,418.88** | **5,401.00** |
| Changes due to prior period errors | - | - | - | - | - | - | - | - |
| **Restated Balance as at April 1, 2022** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **(27.57)** | **(2,08,244.90)** | **69,114.62** |
| Additions/ (deductions) during the year | - | - | - | - | - | **23.28** | **(23.28)** | - |
| **Balance as at March 31, 2023** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **(4.29)** | **(2,08,268.18)** | **69,114.62** |
| Total Comprehensive Income for the year | | | | | | **(33.72)** | **9,474.95** | **9,441.23** |
| Changes due to prior period errors | - | - | - | - | - | - | - | - |
| **Restated Balance as at March 31, 2024** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **(38.01)** | **(1,98,793.23)** | **78,555.85** |
| Additions/ (deductions) during the year (net) | | | | | | **45.06** | **(45.06)** | **-** |
| Shares allotted during the year (QIP) (Refer Note 53) | - | - | **38,203.94** | - | - | - | - | **38,203.94** |
| **Balance as at March 31, 2024** | **5,105.69** | **1,63,125.58** | **84,651.80** | **6,856.06** | **55,851.90** | **7.05** | **(1,98,838.29)** | **1,16,759.79** |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E
Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

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

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

## 1. Corporate Information

Orchid Pharma Ltd., is one of the leading pharmaceutical companies in India head quartered in Chennai and involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals with exports spanning over 40 countries. Orchid's world class manufacturing infrastructure include USFDA compliant API and Finished Dosage Form facilities at Chennai in India. Orchid has dedicated state-of-art and GLP compliant R&D infrastructure for Process research, Drug Discovery and Pharmaceutical research at Chennai, India. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the Company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

## 2. 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.

### Basis of preparation and presentation

Pursuant to the order of the Hon'ble NCLT, the approved Resolution Plan was implemented during March 2020 and the Board of Directors of the Company was reconstituted on March 31, 2020 based on the nominations from the Resolution Applicant. DLL has also infused the amounts in the Company and settled all the financial and operating creditors of the Company as per the terms of the approved Resolution Plan.

In view of the implementation of the Resolution Plan, the financial statements have been prepared and presented by the Company on a going concern basis.

### 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 periods.

### 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).

The financial statements are approved for issue by the Board of Directors on May 23, 2024.

### 2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment (PPE) and Intangible Assets**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**Impairment of Non-financial assets (PPE)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Defined Benefit Plans and Other long term employee benefits**

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**2B 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 3. Material Accounting Policies

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

**a. 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

**b. Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

**c. Revenue Recognition**

**Sale of goods**

Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

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.

**Export entitlements**

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**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 expected credit losses.

**Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

**d. 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 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.

**e. 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.

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.

Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.

**f. 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 marketed, whichever is earlier.

**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.

**g. Inventories**

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**h. 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)
- 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.

**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 profit and loss, even on sale of such investments.

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 significant 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 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 repay.

**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 based on 12-month ECL.

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

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

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

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 from these assets. |
| 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 instruments.

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 for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

**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. |
| 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 amortised cost. |
| 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.

**I) 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 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).

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.

**j) 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.

**k) Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

**l) Taxes**

**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) **Retirement and other employee benefits**

**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**n) Leases**

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis or any other systematic approach as adopted by the entity.All other Leases are recognized as follows :

**a) Initial measurement**

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

**b) Subsequent measurement**

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**o) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**p) 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 significant, 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.

**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.

**q) 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.

**r) 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.

**s) Non current assets held for sale and disposal groups**

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind Ass

The Company measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Company does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

**t) 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.

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

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

4 Property, plant and equipment

₹ in lakhs

| Particulars | A) Tangible Assets | | | | | | | | | | B) Right to use assets | C) Intangible Assets | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land & Site Developm | Leasehold Land | Buildings | Plant and Machinery | Furniture and Fittings | Vehicles | Office Equipment | Factory Equipment | Laboratory Equipment | Total | Buildings | Internally generated DMF and ANDA | Computer Software | Total |
| **Gross Carrying Amount** | | | | | | | | | | | | | | |
| **As at March 31, 2022** | **1,228.12** | **0.61** | **14,392.71** | **99,074.75** | **219.09** | **9.99** | **1.59** | **326.76** | **1,305.03** | **1,16,558.65** | | **1,012.92** | **54.06** | **1,066.98** |
| Additions | 1,373.45 | - | 3,432.00 | 46.16 | 1.81 | - | 2.26 | - | - | **4,855.68** | | 14.21 | - | **14.21** |
| Disposals | (417.44) | - | - | (12.60) | (16.09) | - | - | - | - | **(446.13)** | | (4.78) | - | **(4.78)** |
| **As at March 31, 2023** | **2,184.13** | **0.61** | **17,824.71** | **99,108.31** | **204.81** | **9.99** | **3.85** | **326.76** | **1,305.03** | **1,20,968.20** | **-** | **1,022.35** | **54.06** | **1,076.41** |
| Additions | 12.80 | - | 661.73 | 6,376.28 | 152.31 | 145.40 | 90.82 | | - | **7,439.34** | 100.36 | - | 138.57 | **138.57** |
| Disposals | | | | | (9.95) | (0.45) | (10.09) | | | **(20.49)** | | | | |
| **As at March 31, 2024** | **2,196.93** | **0.61** | **18,486.44** | **1,05,484.59** | **347.17** | **154.94** | **84.58** | **326.76** | **1,305.03** | **1,28,387.05** | **100.36** | **1,022.35** | **192.63** | **1,214.98** |
| | | | | | | | | | | | | | | |
| **Accumulated Depreciation/ Amortisation** | | | | | | | | | | | | | | |
| **As at March 31, 2022** | **-** | **0.61** | **3,838.13** | **53,051.65** | **166.67** | **3.69** | **1.58** | **143.29** | **1,021.44** | **58,227.06** | | **1,012.92** | **20.33** | **1,033.25** |
| Charge for the year | - | - | 788.90 | 4,663.58 | 0.50 | - | 0.55 | 15.54 | 5.00 | 5,474.07 | | 1.46 | 3.13 | **4.59** |
| Disposals | - | - | - | - | - | - | - | - | - | | | | | |
| **As at March 31, 2023** | **-** | **0.61** | **4,627.03** | **57,715.23** | **167.17** | **3.69** | **2.13** | **158.83** | **1,026.44** | **63,701.13** | **-** | **1,014.38** | **23.46** | **1,037.84** |
| Charge for the year | - | - | 806.16 | 2,337.81 | 3.91 | 8.11 | 8.86 | 7.00 | 3.54 | 3,175.39 | 33.45 | 2.55 | 110.51 | **113.06** |
| Disposals | | | | | (0.48) | | (1.12) | | | (1.60) | | | | |
| **As at March 31, 2024** | **-** | **0.61** | **5,433.19** | **60,053.04** | **170.60** | **11.80** | **9.87** | **165.83** | **1,029.98** | **66,874.92** | **33.45** | **1,016.93** | **133.97** | **1,150.90** |
| | | | | | | | | | | | | | | |
| **Net Block** | | | | | | | | | | | | | | |
| As at March 31, 2023 | 2,184.13 | - | 13,197.68 | 41,393.08 | 37.64 | 6.30 | 1.72 | 167.93 | 278.59 | 57,267.07 | - | 7.97 | 30.60 | 38.57 |
| **As at March 31, 2024** | **2,196.93** | **-** | **13,053.25** | **45,431.55** | **176.57** | **143.14** | **74.71** | **160.93** | **275.05** | **61,512.13** | **66.91** | **5.42** | **58.66** | **64.08** |

**Notes :**

1. The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Property, Plant and Equipments in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.
2. 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.
3. Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.
4. The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

## Notes to the financial statements as at and for the period ended March 31, 2024
(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 5 | **A Capital work-in-progress** | | |
| | Property, plant and equipment under development | 1,018.27 | 4,609.18 |
| | | **1,018.27** | **4,609.18** |
| | Refer Note 49 (a) for information relating to ageing schedule of Capital work in progress | | |
| | Refer Note 49 (c) for information relating to estimated completion schedule of Capital work in progress | | |
| 5 | **B. Intangible Assets under development** | | |
| | Intangible Assets under development | 1,427.77 | - |
| | | **1,427.77** | **-** |
| | Refer Note 49 (b) for information relating to ageing schedule of Intangible assets under development | | |
| 6 | **Non-current investments** | | |
| | **Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI** | | |
| | **Non - Trade** | | |
| | **i. Investments in Equity Instruments (Quoted)** | | |
| | 18,600 (PY: 18,600) equity shares of Rs.10 each in Bank of India Ltd, fully paid up | 25.27 | 13.93 |
| | **ii. Investments in Equity Instruments (Unquoted)** | | |
| | 6,00,000 ( PY : 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Pvt.Ltd, fully paid up | 60.00 | 60.00 |
| | 42,00,000 (PY: 42,00,000 ) equity shares of Rs.10 each in Investment in Nellai Renewables Private Limited, fully paid up | 420.00 | 420.00 |
| | 41,66,924 (PY: Nil) equity shares of Rs.10 each in Dalavaipuram Renewables Private Ltd. fully paid up | 416.70 | - |
| | 1,19,568 ( PY: 1,19,568 ) equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up * | 23.99 | 23.99 |
| | 8,823 (PY : 8,823 ) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited * | 3.83 | 3.83 |
| | **Trade** | | |
| | **iii. Investments in Equity Instruments of Subsidiaries (Unquoted) at cost** | | |
| | 2,00,000 (PY: 2,00,000 ) Common Stock of USD. 1 each in Orchid Pharmaceuticals Inc., USA, fully paid up | 85.07 | 85.07 |
| | 99,99,990 (PY 99,99,990 ) Series A & 48,93,750 (PY: 48,93,750 ) Series B Convertible Preferred Stock par value USD 0.001 per share and 9,001,090 (PY: 9,001,090 ) Common stock of par value USD 0.001 per share in Bexel Pharmaceutical Inc. ** | 8,883.24 | 8,883.24 |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| 1,10,00,000 (PY: 1,10,00,000 ) Common stock of Par value of USD 0.125 per share in Bexel Pharmaceutical Inc. | 599.09 | 599.09 |
| 303,639 (PY: 303,639 ) Ordinary shares each and 1 in Orchid Pharmaceuticals SA (Proprietary) Limited. South Africa, fully paid up (ceased w.e.f 31.01.2024) # | 17.69 | 17.69 |
| 7,140,378 (PY: 7,140,378) Series A Preferred stock & 3,22,986 (PY: 3,22,986) Common stock par value of 0.83595 USD per share in Diakron Pharmaceuticals, Inc. USA | 2,825.01 | 2,825.01 |
| 1,50,00,000 (PY: 1000) Equity shares of Rs. 10 each in Orchid BioPharma Ltd (including shares held by its nominees) | 1,500.00 | 0.10 |

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **iv. Investments in Equity Instruments of Associate (Unquoted) at cost** | | |
| 4,55,00,000 (PY: 4,55,00,000 ) equity share of Rs.10 /- each in Orbion Pharmaceuticals Private Limited | 4,550.00 | 4,550.00 |
| | 19,409.89 | 17,481.95 |
| Less: Provision for diminution in fair value of investments | (12,470.10) | (12,470.10) |
| **Total non-current investments** | **6,939.79** | **5,011.85** |
| | | |
| Aggregate value of quoted investments | 25.27 | 13.93 |
| Aggregate market value of quoted investments | 25.27 | 13.93 |
| Aggregate value of unquoted investments | 19,384.62 | 17,468.02 |
| Aggregate amount of impairment in value of investments | 12,470.10 | 12,470.10 |
| ** Each Series A & B Preferred stock is convertible into One Common stock, at any time, at the option of the Company and will have voting rights equal to one common stock and has the same value as common stock. | | |
| # Orchid Pharmaceuticals SA (Proprietary) Limited. South Africa has been wound up on 31st January 2024. The Investment has already been fully provided for, but the same is yet to be written off pending approval of RBI | | |
| **7. Other non-current financial assets** | | |
| (Unsecured, considered good) | | |
| Security deposits for electricity and power | 504.71 | 620.05 |
| Fixed deposits with banks (with original maturity after 12 month from the reporting date) | 1.58 | - |
| Other Deposits | 90.08 | 67.43 |
| (Unsecured, considered doubtful) | | |
| Loans to subsidiaries | 5,229.36 | 5,229.36 |
| Others | 202.66 | 202.66 |
| Less : Provision for expected credit loss | (5,432.02) | (5,432.02) |
| | **596.37** | **687.48** |

## Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for. | | |
| **8. Non Current tax assets** | | |
| Advance income tax (net of provision for tax) | 5,130.15 | 5,130.15 |
| | **5,130.15** | **5,130.15** |
| **9. Other non-current assets** | | |
| (Unsecured, considered good) | | |
| Capital Advances | 235.89 | 202.11 |
| (Unsecured, considered doubtful) | | |
| Advances to suppliers | - | 15,333.30 |
| | 235.89 | 15,535.41 |
| Less: Provision for expected credit loss | - | (15,333.30) |
| | **235.89** | **202.11** |

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to suppliers during the pre-CIRP period have been fully provided for. During current year these Advances has been adjusted against the provision by the management. | | |
| **10. Inventories** | | |
| Raw Materials | 6,601.01 | 7,588.65 |
| Intermediates & Work-in-progress | 11,486.56 | 7,745.00 |
| Finished Goods | 7,442.50 | 6,794.66 |
| Stores and Spare parts | 313.06 | 133.88 |
| Chemicals and Consumables | 289.89 | 212.54 |
| Packing Materials | 289.59 | 399.07 |
| | **26,422.61** | **22,873.80** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **11 Current Investments** | | |
| **Fair valued through profit and loss** | | |
| Investment in Mutual Funds | - | - |
| | **-** | **-** |
| **12 Trade receivables** | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 18,937.04 | 21,190.73 |
| Trade Receivables which have significant risk increase in credit risk | - | - |
| Trade Receivables credit impaired | 8,187.19 | 8,213.70 |
| | 27,124.23 | 29,404.43 |
| Less: Allowance for expected credit loss | (8,187.19) | (8,213.70) |
| | **18,937.04** | **21,190.73** |
| **Note:** | | |
| Trade receivablesare neitherdue from directorsor otherofficersof the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or privatecompanies respectively in whichany director isa partner,a directoror a member, except to the extent disclosed in Note 47 relating to amounts receivable from related parties. | | |
| Refer Note46 for information aboutrisk profile of Trade Receivablesunder Financial Risk Management. | | |
| Refer Note 49 (d) for the ageing schedule of Trade Receivables. | | |
| **13 Cash and cash equivalents** | | |
| Cash on hand | 1.82 | 0.66 |
| Balances with banks | | |
| In current accounts | 27.65 | 1,830.11 |
| | **29.47** | **1,830.77** |

| | As at March 31, 2024 | As at March |
|---|---|---|
| **14 Other Bank Balances** | | |
| In term deposits with banks (with original maturity within 12 months from the reporting date) | 1.46 | 1.46 |
| In earmarked accounts | | |
| In term deposits with banks * (with original maturity within 12 months from the reporting date) | 25,306.11 | - |
| Escrow Accounts | 294.86 | 310.55 |
| Fractional Shares Account with banks | 90.83 | 90.90 |
| | **25,693.26** | **402.91** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note:**<br>* The above deposit represents the unutilized balance (including interst accrued) out of QIP funds raised during the year which are earmarked for utilization for the purposes specified In the Offer document. Refer Note 53. | | |
| **15 Loans** | | |
| Loans to subsidiaries | | |
| Loans to subsidiaries - credit impaired | 99.26 | 99.26 |
| Loans to subsidiaries - considered good | 788.97 | 469.72 |
| | 888.23 | 568.98 |
| Less : Allowance for expected credit loss | (99.26) | (99.26) |
| | **788.97** | **469.72** |
| **Note :**The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment except loan given to Orchid Bio Pharma Limited of Rs. 788.97 lakhs (previous year: Rs. 469.72 lakhs). The loans given to subsidiaries and other parties during the pre-CIRP period have been fully provided for. | | |
| **16 Other current financial assets** | | |
| (Unsecured, considered good) | | |
| Interest accrued | 434.68 | 0.13 |
| | **434.68** | **0.13** |
| **17 Current tax assets** | | |
| Advance income tax (net of provision for tax) | 168.93 | 95.37 |
| | **168.93** | **95.37** |
| **18 Other current assets** | | |
| (Unsecured, considered good) | | |
| Advance recoverable in cash or in kind | | |
| Advance to suppliers | 1,022.41 | 935.18 |
| Prepaid expenses | 215.03 | 363.70 |
| Export Incentives receivable | 30.19 | - |
| Balances with Statutory Authorities | 4,486.46 | 1,217.07 |
| (Unsecured, considered doubtful) | | |
| Advances to suppliers | 29.05 | 29.05 |
| | 5,783.14 | 2,545.00 |
| Less : Allowance for expected credit loss | (29.05) | (29.05) |
| | **5,754.09** | **2,515.95** |
| **Note :**The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for. | | |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **19** | **Equity Share Capital** | | |
| | **Authorised Share Capital** | | |
| | 15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each* | 15,010.00 | 15,010.00 |
| | | **15,010.00** | **15,010.00** |
| | '* The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularisation. | | |
| | **Issued Share Capital** | | |
| | 5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each | 5,071.91 | 4,081.64 |
| | | **5,071.91** | **4,081.64** |
| | **Subscribed and fully paid up share capital** | | |
| | 5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each fully paid up | 5,071.91 | 4,081.64 |
| | | **5,071.91** | **4,081.64** |
| **Notes:** | | | |
| (a) | **Reconciliation of number of equity shares subscribed** | | |
| | Balance at the beginning of the period (Nos) | **4,08,16,400** | **4,08,16,400** |
| | Shares Issued during the period | 99,02,705 | - |
| | Balance at the beginning and end of the period (Nos) | **5,07,19,105** | **4,08,16,400** |

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

| Name of the share holders | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No of shares | % | No of shares | % |
| Dhanuka Laboratories Limited (holding company) * | 3,54,19,957 | 69.84% | 3,67,19,957 | 89.96% |

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

( c) Shareholders holding more than 5% of the total share capital

| Name of the share holders | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No of shares | % | No of shares | % |
| Dhanuka Laboratories Limited (holding company) * | 3,54,19,957 | 69.84% | 3,67,19,957 | 89.96% |
| Quant Mutual Fund | 34,65,947 | 6.83% | - | - |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

(d) Shares held by promoters at the end of the year

| Name of the share holder (promoter) | March 31, 2024 | | March 31, 2023 | | % of Change |
|---|---|---|---|---|---|
| | No of shares | % age | No of shares | % age | |
| Dhanuka Laboratories Limited (holding company) | 3,54,19,957 | 69.84% | 3,67,19,957 | 89.96% | -20.12% |

(e) 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. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not proposed any dividend.

| | As at March 31, 2024 | As at March 31, |
|---|---|---|
| **20 Other Equity** | | |
| Capital Reserve | 5,105.69 | 5,105.69 |
| Capital Reserve on Amalgamation | 1,63,125.58 | 1,63,125.58 |
| Securities Premium | 84,651.80 | 46,447.86 |
| Equity component of Optionally convertible debentures | 6,856.06 | 6,856.06 |
| General Reserve | 55,851.90 | 55,851.90 |
| Other Comprehensive Income | 7.05 | (4.29) |
| Retained Earnings | (1,98,838.29) | (2,08,268.18) |
| | **1,16,759.79** | **69,114.62** |
| **a) Capital reserve** | | |
| Balance at the beginning and end of the year | **5,105.69** | **5,105.69** |
| Capital reserve was created in the earlier years in respect of business acquired by the Company. The Company can use this reserve for issuing fully paid up Bonus shares. | | |
| **b) Capital Reserve on Amalgamation** | | |
| Balance at the beginning and end of the year | **1,63,125.58** | **1,63,125.58** |
| Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Company. The Company can use this reserve for issuing fully paid up Bonus shares. | | |
| **c) Securities Premium** | | |
| Balance at the beginning of the year | 46,447.86 | **46,447.86** |
| Additions during the period (net of share issue expenses adjusted of Rs. 805.79 lakhs) | 38,203.94 | - |
| Balance at the end of the year | **84,651.80** | **46,447.86** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the company | | |
| **d) Equity component of Optionally convertible debentures** | | |
| Balance at the beginning and end of the year | **6,856.06** | **6,856.06** |
| This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Company completed the conversion of the debentures into equity. | | |
| **e) General Reserve** | | |
| Balance at the beginning and end of the year | **55,851.90** | **55,851.90** |

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.

| | As at March 31, 2024 | As at March 31, |
|---|---|---|
| **f) Other comprehensive income** | | |
| Balance at the beginning of the year | (4.29) | (9.69) |
| Net Other Comprehensive Income for the year | (33.72) | (17.88) |
| (Deductions)/ Adjustments during the year | 45.06 | 23.28 |
| Balance at the end of the year | **7.05** | **(4.29)** |
| Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised. | | |
| **g) Retained Earnings** | | |
| Balance at the beginning of the year | (2,08,268.18) | (2,13,663.78) |
| Net profit/(loss) for the year | 9,474.95 | 5,418.88 |
| Transfer from Other Comprehensive Income | (45.06) | (23.28) |
| Balance at the end of the year | **(1,98,838.29)** | **(2,08,268.18)** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

Retained Earnings represent the undistributed profits/ accumulated losses of the Company remaining after transfer to other Reserves.

| | As at March 31, 2024 | As at March 31, |
|---|---|---|
| **21 Long Term Borrowings** | | |
| **Secured *** | | |
| From Banks | | |
| Rupee Term Loans | - | 3,205.16 |
| Foreign Currency Term Loans | - | 4,959.26 |
| **Unsecured Loans** | | |
| 0% Optionally Convertible Debentures | 12,020.91 | 10,875.10 |
| | 12,020.91 | 19,039.52 |
| Less: Current maturities of long term borrowings (refer note 25) | - | (4,155.76) |
| | **12,020.91** | **14,883.76** |
| * Refer Note 45 for repayment terms and security details. | | |
| Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date. | | |
| Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees. | | |
| **22 Lease Liabilities - Non current** | | |
| Lease Liabilities | 37.00 | - |
| | **37.00** | **-** |

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **23 Provisions -Non-current** | | |
| Provision for Employee Benefits | | |
| Gratuity | 119.37 | 1,011.32 |
| Compensated absence | 244.00 | 248.86 |
| | **363.37** | **1,260.18** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, |
|---|---|---|---|
| 24 | **Deferred Tax Asset / (Liability) - Net** | | |
| | **Deferred Tax Liability** | | |
| | On Property, plant and equipment | 11,081.42 | 8,610.56 |
| | On Others | - | 322.62 |
| | | 11,081.42 | 8,933.18 |
| | **Deferred Tax Asset** | | |
| | On unabsorbed tax depreciation | 11,081.42 | 8,610.56 |
| | **Net deferred tax asset / (liability)** | **-** | **(322.62)** |
| | Note: In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability | | |
| 25 | **Current liabilities - Borrowings** | | |
| | **Secured*** | | |
| | Cash Credit Facility / Working Capital Demand Loans and Buyers Credit | 1,404.75 | 14,095.05 |
| | Current maturities of long term borrowings (refer Note 21) | - | 4,155.76 |
| | **Unsecured** | | |
| | Loans from subsidiary company | - | - |
| | | **1,404.75** | **18,250.81** |

'* Refer Note 45 for repayment terms and security details

Note: Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases

| Quarter ended | As per financials | As per returns filed with banks | Difference | Reason |
|---|---|---|---|---|
| June 30, 2023 | 20011.71 | 19297.30 | 714.41 | The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 475..55 lacs) |

₹ in lakhs

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **26 Lease Liabilities - Current** | | |
| Lease Liabilities | 33.33 | - |
| | **33.33** | **-** |
| **27 Trade payables** | | |
| Dues to Micro enterprises and Small enterprises | 866.53 | 158.44 |
| Dues to Creditors other than Micro and Small enterprises | 17,072.35 | 12,752.17 |
| | **17,938.88** | **12,910.61** |
| * Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer Note 41. | | |
| Refer Note 46 for information about risk profile of trade payables under Financial Risk Management. | | |
| Refer Note 49(e) for information about ageing of trade payables | | |
| **28 Provisions- Current** | | |
| Provision for employee benefits | | |
| Gratuity | 160.73 | 299.41 |
| Compensated absence | 47.74 | 49.19 |
| | **208.47** | **348.60** |
| **29 Other current liabilities** | | |
| Statutory Liabilities | 347.87 | 148.36 |
| Fractional Share amount payable to shareholders | 90.84 | 90.91 |
| Employee related payables | 748.63 | 746.09 |
| Advance and deposits from customers etc., | 194.66 | 167.59 |
| | **1,382.00** | **1,152.95** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| 30 | **Revenue from operations** | | |
| | Sale of Products | 81,512.03 | 65,561.06 |
| | Sale of Services | 99.44 | 104.52 |
| | Other Operating Revenues | | |
| | Sale of other materials | 295.16 | 924.26 |
| | Export promotion incentives | 30.19 | - |
| | | **81,936.82** | **66,589.84** |
| | **Details of Sale of products** | | |
| | Cephalosporin API | 81,266.02 | 65,154.11 |
| | Cephalosporin FDF | 246.01 | 406.95 |
| | | **81,512.03** | **65,561.06** |
| 31 | **Other income** | | |
| | Interest income on Bank Deposits etc | 1,574.14 | 37.31 |
| | Interest income on Loan to Subsidiaries | 13.33 | 24.49 |
| | Profit on sale of property plant and equipment | - | 93.55 |
| | Foreign exchange gain (net) | 673.46 | 520.14 |
| | Profit on sale of investments | - | 1.54 |
| | Other non-operating income | 778.01 | 1,266.02 |
| | | **3,038.94** | **1,943.05** |
| 32 | **Cost of materials consumed** | | |
| | Opening inventory of raw materials | 7,588.65 | 4,283.13 |
| | Add : Purchases | 51,847.67 | 43,915.13 |
| | Less : Closing inventory of raw materials | (6,601.01) | (7,588.65) |
| | | **52,835.31** | **40,609.61** |
| 33 | **Changes in inventories of work-in-progress, stock in trade and finished goods** | | |
| | Opening stock | | |
| | Intermediates & Work-in-progress | 7,745.00 | 6,907.63 |
| | Finished Goods | 6,794.66 | 5,484.49 |
| | | **14,539.66** | **12,392.12** |
| | Closing stock | | |
| | Intermediates & Work-in-progress | 11,486.56 | 7,745.00 |
| | Finished Goods | 7,442.50 | 6,794.66 |
| | | **18,929.06** | **14,539.66** |
| | Total changes in inventories | **4,389.40** | **2,147.54** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **34** | **Employee benefits expense** | | |
| | Salaries and wages | 5,891.97 | 5,449.92 |
| | Contribution to provident and other funds | 393.63 | 424.91 |
| | Staff welfare expenses | 678.57 | 660.21 |
| | | **6,964.17** | **6,535.04** |
| **35** | **Depreciation and amortisation expense** | | |
| | Depreciation on Property, Plant and Equipment | 3,175.39 | 5,474.07 |
| | Amortisation of Right of use assets | 33.45 | - |
| | Amortisation of Intangible Assets | 113.06 | 4.59 |
| | | **3,321.90** | **5,478.66** |
| **36** | **Finance Cost** | | |
| | Interest on bank borrowings | 222.04 | 1,527.85 |
| | Less : Transferred to Capital work in progress | 133.05 | 69.32 |
| | Net interest on bank borrowings | 88.99 | 1,458.53 |
| | Interest on others | 1,543.76 | 1,764.04 |
| | | **1,632.75** | **3,222.57** |
| **37** | **Other expenses** | | |
| | Power and fuel | 6,292.48 | 6,126.21 |
| | Consumption of Stores, Spares & Chemicals | 1,392.75 | 1,255.53 |
| | Rent | 1.93 | 0.35 |
| | Repairs to buildings | 163.78 | 134.60 |
| | Repairs to plant and machinery | 84.06 | 83.02 |
| | Factory maintenance | 1,624.58 | 1,445.75 |
| | Insurance | 425.40 | 395.91 |
| | Rates & Taxes | 156.81 | 98.24 |
| | Research & Development Expenses | 709.37 | 636.21 |
| | Advertisement | 3.04 | 4.06 |
| | Payment to Auditors [refer note 37 (a)] | 32.00 | 35.25 |
| | Cost Audit fee | 2.00 | 2.00 |
| | Travelling and Conveyance | 110.95 | 51.21 |
| | Directors' remuneration & perquisites | 696.89 | 236.21 |
| | Directors' travelling expenses | 71.27 | 52.05 |
| | Directors' sitting fees | 9.70 | 8.00 |
| | Freight outwards | 702.99 | 698.41 |
| | Commission on sales | 1,598.45 | 675.02 |
| | Business promotion and selling expenses | 81.15 | 56.14 |
| | Lease rentals | 332.24 | 101.25 |
| | Professional consultancy charges | 383.24 | 445.49 |
| | Allowance / (Reversal) of expected credit loss | (26.51) | 118.83 |
| | Bank charges | 38.11 | 67.65 |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Loss on sale/ discard of property, plant and equipment | 18.84 | 16.09 |
| Advances / Debit balances written off (Net) | 46.27 | - |
| Miscellaneous expenses | 506.91 | 487.40 |
| | **15,458.70** | **13,230.88** |
| **37 (a) Payment to auditors *** | | |
| For statutory audit | 14.50 | 16.50 |
| For issuing limited review reports | 7.50 | 7.50 |
| For tax audit | 2.00 | 2.00 |
| For certificate and other services # | 8.00 | 9.25 |
| Out of pocket expenses | - | - |
| | 32.00 | 35.25 |

* Excludes Payment towards the certification services of QIP of Rs. 23.50 lakhs which was adjusted against the share premium account

# including Rs. 8.25 lakhs paid to earstwhile auditors in the previous year figures

**38 Taxes on Income**

**Income tax expense**

In view of the carried forward losses under the taxation laws, no provision for tax is required to be created.

**Movement of deferred tax expense**

**For the year ended March 31, 2024**

| Deferred tax (liabilities)/assets in relation to | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| Property, plant, and equipment and Intangible Assets | (8,610.56) | (2,470.86) | - | (11,081.42) |
| Unabsorbed tax depreciation (refer note below) | 8,610.56 | 2,470.86 | - | 11,081.42 |
| Other temporary differences | (322.62) | 322.62 | - | - |
| | **(322.62)** | **322.62** | **-** | **-** |

**For the year ended March 31, 2023**

| Deferred tax (liabilities)/assets in relation to | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| Property, plant, and equipment | (8,283.47) | (327.09) | - | (8,610.56) |
| Unabsorbed tax depreciation (refer note below) | 8,283.47 | 327.09 | - | 8,610.56 |
| Other temporary differences | (322.62) | - | - | (322.62) |
| | **(322.62)** | **-** | **-** | **(322.62)** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

**Note:**

Since the company has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that sufficient future taxable income will be available for setting off the same.

₹ in lakhs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **39 Earnings per share** | | |
| Profit for the year from continuing Operations | 9,474.95 | 5,524.69 |
| Profit for the year from discontinued Operations | - | (105.81) |
| Profit for the year from continuing & discontinued Operations | 9,474.95 | 5,418.88 |
| Weighted average number of ordinary shares | 4,83,65,183 | 4,08,16,400 |
| Earnings per equity share ( For continuing operations): | | |
| - Basic ( Rs.) | 19.59 | 13.54 |
| - Diluted ( Rs.) | 19.59 | 13.54 |
| Earnings per equity share ( For discontinued operations ) : | | |
| - Basic ( Rs.) | - | (0.26) |
| - Diluted ( Rs.) | - | (0.26) |
| Earnings per equity share ( For discontinued & continuing operations) | | |
| - Basic ( Rs.) | 19.59 | 13.28 |
| - Diluted ( Rs.) | 19.59 | 13.28 |

**40 Expenditure on Research and Development**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Revenue expenditure charged to the Statement of Profit or Loss | | |
| Power and fuel | - | - |
| Consumption of stores, spares and chemicals | 148.35 | 133.31 |
| Salaries, wages and bonus | 483.69 | 402.62 |
| Contribution to Provident and other funds | 24.65 | 18.78 |
| Travelling and conveyance | 6.15 | 0.27 |
| Filing and registration expenses | 0.77 | 0.88 |
| Professional consultancy charges | 6.75 | 63.96 |
| Others | 39.01 | 16.39 |
| | **709.37** | **636.21** |

**41 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under ***

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| (a) The principal amount remaining unpaid at the end of the year | 866.53 | 158.44 |
| (b) The delayed payments of principal amount paid beyond the appointed date during | - | - |
| (c) Interest actually paid under Section 16 of MSMED Act | - | - |
| (d) Normal Interest due and payable during the year, as per the | - | - |
| (e) Total interest accrued during the year and remaining unpaid | - | 15.51 |

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

**42 Commitments and contingent liabilities**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Contingent Liability** | | |
| Claims against the company not acknowledged as debts | | |
| - Income Tax dispute pending before High Court of Chennai * | - | - |
| - GST tax dispute pending before Commissioner Appeals * | - | - |
| - Electricity Department claim # | 80.93 | 52.26 |
| - Other claims ** | 3,871.68 | 3,077.00 |
| Unexpired Letter of Credits and Bank Guarantees | 964.65 | 738.56 |
| **Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 1,006.11 | 675.43 |

*The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s)

Considering the above, all statutory liabilities of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

**The Company has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Company has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Company is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,871.68 Lakhs upto March 31, 2024 (FY : 2022-23 Rs. 3,077.00 lacs)in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of the negotiation.

The Company is in the process of discussion with the Lessor for the out of court settlement.

# Tax demand from Electricity board is under dispute and considered as contingent liability from 01.04.2020

**43 Operating Segments**

The operations of the Company falls under a single operating segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable. Since the Company has also laid down consolidated financial statements, the disclosures required as per Ind AS 108 is given as part of notes on accounts of the consolidated financial statements.

**(a) Revenue from external customers**

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

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| India | 14,935.94 | 10,388.91 |
| Rest of the world | 66,576.09 | 55,172.15 |
| | **81,512.03** | **65,561.06** |

**(b) Non current assets**

The manufacturing facilities of the Group is situated in India and no non-current assets are held outside India

## 44 Operating lease arrangements

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **As Lessee**<br>The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. | | |
| Lease payments recognised in the Statement of Profit and Loss | 332.24 | 101.25 |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**45 Terms and conditions of borrowings**

**A) Long term borrowings - Term loans from banks**

**1) Foreign Currency Term Loan:**

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in July 2023 the Company had prepaid and fully settled the said Loan.

**2) Rupee Term Loan:**

Rupee term loan of Rs.5,000 Lakhs was sanctioned during the financial year 2022-23 with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. . The outstanding amount of Rs. 3205.16 lakhs has been prepaid in the month of July 2023 out of QIP funds.

The above Loans were secured by way of :

I. Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation,both present and future

ii. First pari passu charge over

a) all other movable fixed assets of the Company by way of hypothecation, both present and future

b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future

c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time

d) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.

e) intangibles, goodwill, uncalled capital , present and future

iii. The term loans were additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

**3) Long term borrowings - 0% Optionally Convertible Debentures**

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

**B) Short term borrowings**

During the year YES Bank has renewed Rs.7,500 Lakhs Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. During the year HDFC bank has renewed Rs.14,900 Lakhs of Working cpaital credit facilities . The present rate of interest is 8.25%. to 8.91% per annum.

₹ in lakhs

The cash credit limits and working capital demand loan with the banks are secured by:

I. First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.
ii. Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.
iii. Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.
iv. First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.
v. First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.
vi. First pari passu charge on intangibles, goodwill uncalled capital present and future.
vii. The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

## 46 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.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

| Gearing Ratio | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Debt | 12,020.91 | 19,039.52 |
| Less: Cash and bank balances | 30.93 | 1,832.23 |
| Net debt | 11,989.98 | 17,207.29 |
| Total equity | 1,21,831.70 | 73,196.26 |
| Gearing ratio (%) | 9.84% | 23.51% |

| Categories of Financial Instruments | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Financial assets** | | |
| **a. Measured at amortised cost** | | |
| Other non-current financial assets | 596.37 | 687.48 |
| Investment in Subsidiaries and Associates | 6,050.00 | 4,550.10 |
| Trade receivables | 18,937.04 | 21,190.73 |
| Cash and cash equivalents | 29.47 | 1,830.77 |
| Bank balances other than | 25,693.26 | 402.91 |
| Loans to Subsidiaries | 788.97 | 469.72 |
| Other financial assets | 434.68 | 0.13 |
| **b. Mandatorily measured at FVTOCI** | | |
| Investments | 889.79 | 461.75 |
| **c. Mandatorily measured at FVTPL** | | |
| Current Investments | - | - |
| **Total** | **53,419.58** | **29,593.59** |
| **Financial liabilities** | | |
| **a. Measured at amortised cost** | | |
| Borrowings (non-current, excluding current maturities) | 12,020.91 | 14,883.76 |
| Borrowings (current) | 1,404.75 | 18,250.81 |
| Trade payables | 17,938.88 | 12,910.61 |
| Lease Liabilities | 70.33 | - |
| **b. Mandatorily measured at FVTPL** | | |
| Derivative instruments | - | - |
| **Total** | **31,434.87** | **46,045.18** |

₹ in lakhs

**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.

**Disclosure of hedged and unhedged foreign currency exposure**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As on March 31, 2024**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 59.63 | - | 59.63 | 249.66 | - | 249.66 | 190.03 |
| EUR | 2.05 | - | 2.05 | 2.39 | - | 2.39 | 0.34 |
| Others | 2.14 | - | 2.14 | - | - | - | (2.14) |
| In INR | 5,114.04 | - | 5,114.04 | 19,676.74 | - | 19,676.74 | 14,562.70 |

**As on March 31, 2023**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 143.84 | - | 143.84 | 269.02 | - | 269.02 | 125.18 |
| EUR | 1.91 | - | 1.91 | 0.97 | - | 0.97 | (0.94) |
| Others | 0.02 | - | 0.02 | - | - | - | (0.02) |
| In INR | 12,049.05 | - | 12,049.05 | 22,110.48 | - | 22,110.48 | 10,061.43 |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**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.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

**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.

**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.
If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's Profit/ (loss) for the year ended March 31, 2024 would decrease/ increase by Rs. 33.30 lakhs (March 31, 2023 : Rs.55.09 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**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.

₹ in lakhs

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.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2024 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 17,938.88 | - | - | 17,938.88 |
| Borrowings (including interest accrued thereon upto the reporting date) | 1,404.75 | 12,020.91 | - | 13,425.66 |
| Lease Liabilities | 33.33 | 37.00 | | 70.33 |
| | **19,376.96** | **12,057.91** | **-** | **31,434.87** |

| March 31, 2023 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 12,910.61 | - | - | 12,910.61 |
| Borrowings (including interest accrued thereon upto the reporting date) | 18,250.81 | 14,883.76 | - | 33,134.57 |
| Lease Liabilities | - | - | | - |
| | **31,161.42** | **14,883.76** | **-** | **46,045.18** |

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): | Nil | Nil |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

## 47 Related party disclosure

### a) List of parties controlling the Company and controlled by the Company

| | |
|---|---|
| **Holding company** | Dhanuka Laboratories Limited |
| **Subsidiary Companies** | Orchid Pharmaceuticals Inc., USA<br>Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.)<br>Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA)<br>Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (upto 31.01.2024)<br>Bexel Pharmaceuticals Inc., USA<br>Diakron Pharmaceuticals Inc., USA<br>Orchid Bio - Pharma Limiited |
| **Associate Company** | Orbion Pharmaceuticals Private Limited |
| **Enterprises in which the KMPs are having control/ significant influence** | Otsuka Chemical (India) Pvt Ltd<br>Synmedic Laboratories<br>Dhanuka Agritech Ltd.<br>Invest Care Real Estate LLP<br>Golden Overseas Private Ltd.<br>M D Buildtech Private Ltd.<br>Agrihawk Technologies Private Ltd.<br>Star Living Infrastructure Advisors LLP<br>Dhanuka Chemicals Private Ltd.<br>H D Realtors Private Ltd.<br>Turbos Advisers LLP |

### b) Key Management Personnel and their relatives

| | |
|---|---|
| Mr. Ram Gopal Agarwal | Chairman and non executive director |
| Mr. Manish Dhanuka | Managing Director |
| Mr. Mridul Dhanuka | Wholetime Director |
| Mr. Mahendra Kumar Dhanuka | Relative of Directors |
| Mr. Arjun Kumar Dhanuka | Director ( w.e.f 20th October, 2023) |
| Mr. Sunil Gupta | Chief Financial Officer |
| Mr. Kapil Dayya | Company Secretary<br>(w.e.f.16th December, 2023) |
| Ms. Marina Peter (w.e.f. 06.09.2022) | Company Secretary<br>(upto 12th December , 2023) |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

**c) 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 | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Sale of goods | 1,620.80 | 817.62 | 17.09 | 5.05 | 33.33 | 107.50 | - | - |
| Purchase of goods | 2,583.96 | 2,172.80 | - | 26.77 | 17,012.94 | 13,406.93 | - | - |
| Purchase of land & Buildings | - | 2,696.13 | | | - | 1,971.62 | | |
| Lease Income | 174.42 | 147.15 | | | 118.76 | 100.19 | | |
| Lease rent paid | | | | | 46.01 | - | | |
| Rental deposit paid | - | - | | | - | 19.10 | | |
| Expenses paid | 0.69 | 0.16 | | | 2.78 | | | |
| Interest received | - | - | 13.33 | - | | | | |
| Interest Paid | | | 16.43 | 24.49 | | | | |
| Loan Given | | | 766.44 | 445.23 | | | | |
| Loan Given Repaid | | | 410.00 | | | | | |
| Loans/Advances received | 1,500.00 | | 865.00 | | | | | |
| Loans/Advances repaid | 1,500.00 | - | 865.00 | | | | | |
| Investment made | - | - | 1,499.90 | 0.10 | | | | |
| Sale of Undertaking | - | - | - | (105.81) | | | | |
| Remuneration & Short term benefits* | - | - | | | - | - | 777.66 | 246.69 |

*Post employment benefit comprising gratuity and compensated absences is not disclosed as these are determined for the Company as a whole.

**d) 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 | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Trade receivables | 409.66 | 39.22 | 3,849.01 | 3,860.45 | - | 75.62 | - | - |
| Provision for Expected Credit Loss- Trade Receivables | | | (3,839.28) | (3,839.28) | | | | |
| Loans and advances (Current) | - | - | 5,229.36 | 5,229.36 | | | | |
| Provision for Expected Credit Loss -Loans & Advances | | | (5,229.36) | (5,229.36) | | | | |
| Loans Advanced | | | 788.97 | 469.72 | | | | |
| Trade payables | 632.84 | 428.39 | 33.65 | 166.23 | 6,213.56 | 3,481.99 | - | - |
| Equity Share Capital | - | - | | | - | - | - | - |

₹ in lakhs

| 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 | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Investments | | | 6,050.00 | 4,550.10 | | | | |
| Rent deposit | | | | | 19.10 | 19.10 | | |
| Remuneration payable | | | | | | | 313.46 | 45.96 |
| 0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity") | 14,300.00 | 14,300.00 | | | - | - | - | - |

**e) Material related party transactions are as follows**

| Transactions/ Balances | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Sale of goods** | | |
| Orchid Pharma Inc. | - | - |
| Synmedic Laboratories | 33.33 | 107.50 |
| Dhanuka Laboratories Limited | 1,620.80 | 817.62 |
| Orbion Pharmaceuticals Private Limited | 17.09 | 5.05 |
| **Purchase of goods** | | |
| Dhanuka Laboratories Limited | 2,583.96 | 2,172.80 |
| Otsuka Chemical (India) Pvt Ltd | 16,990.24 | 13,406.93 |
| Synmedic Laboratories | 22.71 | - |
| **Purchase of Land and buildings** | | |
| Dhanuka Laboratories Limited | - | 2,696.13 |
| Synmedic Laboratories | - | 1,971.62 |
| **Lease rentals for Land and buildings received** | | |
| Dhanuka Laboratories Limited | 174.42 | 147.15 |
| Synmedic Laboratories | 118.76 | 100.19 |
| **Rental deposit paid** | | |
| Dhanuka Agritech Limited | - | 19.10 |
| **Lease rentals paid** | | |
| Dhanuka Agritech Limited | 46.01 | - |

## Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| Transactions/ Balances | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Loan Given** | | |
| Orchid Bio-pharma Limited | 766.44 | 445.23 |
| Loan Given Repaid | | |
| Orchid Bio-pharma Limited | 410.00 | - |
| **Loans and advances received** | | |
| Orchid Bio-pharma Limited | 865.00 | - |
| Dhanuka Laboratories Limited | 1,500.00 | - |
| **Loans and advances received repaid** | | |
| Orchid Bio-pharma Limited | 865.00 | - |
| Dhanuka Laboratories Limited | 1,500.00 | - |
| **Investments in Subsidiary / Associate Company** | | |
| Orbion Pharmaceuticals Private Limited | - | - |
| Orchid Bio-pharma Limited | 1,499.90 | 0.10 |
| **Sale of Undertaking** | | |
| Orbion Pharmaceuticals Private Limited | - | (105.81) |
| **Remuneration & Short term benefits** | | |
| Manish Dhanuka | 355.10 | 118.11 |
| Mridul Dhanuka | 355.10 | 118.11 |
| Sunil Gupta | 54.83 | - |
| Kapil Dayya | 4.29 | - |
| Marina Peter | 8.34 | 7.30 |

**f) Material related party balances are follows**

| Name of the related party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade receivables** | | |
| Orchid Pharma Inc.* | 3,839.28 | 3,839.28 |
| Orbion Pharmaceuticals Private Limited | 9.73 | 21.17 |
| Dhanuka Laboratories Limited | 409.66 | 39.22 |
| Synmedic Laboratories | - | 75.62 |

## Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| Name of the related party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| Dhanuka Laboratories Limited | 632.84 | 428.39 |
| Otsuka Chemical (India) Pvt Ltd | 6,212.93 | 3,481.99 |
| Orchid Europe Limited | 33.65 | 33.65 |
| Orbion Pharmaceuticals Private Limited | - | 132.58 |
| Synmedic Laboratories | 0.63 | - |
| **Loans given** | | |
| Orchid Bio-pharma Limited | 788.97 | 469.72 |
| **Rental deposit paid** | | |
| Dhanuka Agritech Limited | 19.10 | 19.10 |
| **Equity Share Capital** | | |
| Dhanuka Laboratories Limited | 3,542.00 | 3,672.00 |
| **Investment** | | |
| Orbion Pharmaceuticals Private Limited | 4,550.00 | 4,550.00 |
| Orchid Bio-pharma Limited | 1,500.00 | 0.01 |
| **0% Optionally Convertible Debentures** | | |
| (including the equity component disclosed under "Other | | |
| Dhanuka Laboratories Limited | 14,300.00 | 14,300.00 |

*Provision has been made for the entire outstanding amount

**48 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.393.63 Lakhs (for the year ended March 31, 2023: Rs. 424.91 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount Rate | 7.19% | 7.27% |
| Rate of increase in compensation level | 7.00% | 7.00% |
| Expected return on plan assets | 7.27% | 7.04% |
| Mortality | Indian Assured Lives Mortality (2012 -14) (Ultimate) | Indian Assured Lives Mortality (2012 -14) (Ultimate) |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:** | | |
| **Amount recognised under Employee Benefits Expense in the Statement of profit and** | | |
| Current service cost | 97.62 | 88.48 |
| Net interest expense | 111.91 | 97.47 |
| Return on plan assets | (85.12) | (18.48) |
| Components of defined benefit costs recognised in profit or loss | **124.41** | **167.47** |
| **Amount recognised in Other Comprehensive Income (OCI) for the year** | | |
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gains)/losses recognised during the period | 45.06 | 23.28 |
| Components of defined benefit costs recognised in other | **45.06** | **23.28** |
| Components of defined benefit costs recognised in other comprehensive income | **169.47** | **190.75** |

i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.

ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:** | | |
| Present value of defined benefit obligation | 1,757.10 | 1,588.19 |
| Fair value of plan assets | (1,477.00) | (277.46) |
| Net liability/ (asset) arising from defined benefit obligation | **280.10** | **1,310.73** |
| Funded | 280.10 | 1,310.73 |
| Unfunded | - | - |
| | **280.10** | **1,310.73** |
| The above provisions are reflected under 'Provision for employee benefits- Gratuity' (Noncurrent provisions) [Refer note 23] and 'Provision for employee benefits - Gratuity' (Current provisions) [Refer note 28]. | | |
| **Movements in the present value of the defined benefit obligation in the current year were as follows:** | | |
| Opening defined benefit obligation | 1,588.19 | 1,440.26 |
| Current service cost | 97.62 | 88.48 |
| Interest cost | 111.91 | 97.47 |
| Actuarial (gains)/losses | 56.71 | 73.58 |
| Benefits paid | (97.33) | (111.60) |
| Rounding off | - | - |
| Closing defined benefit obligation | **1,757.10** | **1,588.19** |

₹ in lakhs

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Movements in the fair value of the plan assets in the current year** | | |
| Opening fair value of plan assets | 277.46 | 316.24 |
| Contributions | 1,200.10 | 4.04 |
| Return on plan assets | 85.12 | 18.48 |
| Benefits paid | (97.33) | (111.60) |
| Actuarial gains/(loss) | 11.65 | 50.30 |
| Closing fair value of plan assets | **1,477.00** | **277.46** |

**Sensitivity analysis**

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**(b) Compensated absences**

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

| | |
|---|---|
| Interest rate risk | The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase. |
| Salary inflation risk | Higher than expected increases in salary will increase the defined benefit obligation. |
| Demographic risk | This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees. |

The above provisions are reflected under 'Provision for employee benefits- Compensated absences' (Non- current provisions) [Refer note 24] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer note 28].

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013**

**(a) Ageing Schedule of Capital Work-in-Progress (CWIP)**

**As at March 31, 2024**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 1,018.27 | - | - | - | 1,018.27 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **1,018.27** | **-** | **-** | **-** | **1,018.27** |

**As at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 3,630.76 | 242.87 | 1.57 | 733.98 | 4,609.18 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **3,630.76** | **242.87** | **1.57** | **733.98** | **4,609.18** |

**(b) Ageing Schedule of Intangible assets under development :**

**As at March 31, 2024**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 1,427.77 | - | - | - | 1,427.77 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **1,427.77** | **-** | **-** | **-** | **1,427.77** |

**As at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | - | - | - | - | - |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** |

₹ in lakhs

**© Completion Schedule for Capital Work-in-Progress whose completion is overdue**

**As at March 31, 2024**

| Particulars | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Nil | - | - | - | - | - |
| | | | | | |

**As at March 31, 2023**

| Particulars | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Nil | - | - | - | - | - |
| | | | | | |

**(d) Ageing Schedule of Trade Receivables**

**As at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 14,690.17 | 4,226.12 | 20.75 | - | - | - | 18,937.04 |
| Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 7,927.58 | 7,927.58 |
| **Disputed Trade Receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 259.61 | 259.61 |
| | **14,690.17** | **4,226.12** | **20.75** | **-** | **-** | **8,187.19** | **27,124.23** |
| Less: Expected Credit Loss Allowance | | | | | | | **(8,187.19)** |
| | | | | | | | **18,937.04** |

**As at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 15,810.32 | 5,380.41 | - | - | - | - | 21,190.73 |
| Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | 19.35 | 7,934.74 | 7,954.09 |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Disputed Trade Receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk and considered doubtful | - | - | - | - | - | 259.61 | 259.61 |
| Credit impaired | - | - | - | - | - | - | - |
| | **15,810.32** | **5,380.41** | **-** | **-** | **19.35** | **8,194.35** | **29,404.43** |
| Less: Expected Credit Loss Allowance | | | | | | | **(8,213.70)** |
| | | | | | | | **21,190.73** |

**(e) Ageing Schedule of Trade Payables**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As at March 31, 2024** | - | - | - | - | - | |
| (i). MSME | 770.55 | 91.58 | 3.97 | 0.03 | 0.40 | 866.53 |
| (ii) Others | 6,310.36 | 8,650.21 | 292.99 | 140.93 | 168.58 | 15,563.07 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Dues | 1,509.28 | - | - | - | - | 1,509.28 |
| | **8,590.19** | **8,741.79** | **296.96** | **140.96** | **168.98** | **17,938.88** |
| **As at March 31, 2023** | | | | | | |
| (i). MSME | 96.91 | 41.94 | 1.30 | 1.14 | 17.15 | 158.44 |
| (ii) Others | 8,660.25 | 2,167.71 | 134.23 | 126.43 | 562.80 | 11,651.42 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Dues | 1,035.91 | 58.70 | 6.14 | - | - | 1,100.75 |
| | **9,793.07** | **2,268.35** | **141.67** | **127.57** | **579.95** | **12,910.61** |

**(f) 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

**(g) Borrowings from banks**

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

**(h) 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.

**(i) 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.

**(j) Key Financial Ratios**

₹ in lakhs

| Particulars | Unit of Measurement | March 31, 2024 | March 31, 2023 | Variation in % |
|---|---|---|---|---|
| Current Ratio | In multiple | 3.73 | 1.73 | 116% |
| Debt-Equity Ratio | In multiple | 0.11 | 0.45 | (76%) |
| Debt Service Coverage Ratio | In multiple | 1.72 | 1.24 | 39% |
| Return on Equity Ratio | In % | 10.00% | 8.00% | 25% |
| Inventory Turnover Ratio | In Days | 110.00 | 110.00 | 0% |
| Trade receivables Turnover Ratio | In Days | 89.00 | 102.00 | (13%) |
| Trade payables Turnover Ratio | In Days | 105.00 | 101.00 | 4% |
| Net Capital Turnover Ratio | In % | 2.22 | 3.74 | (41%) |
| Net Profit Ratio | In % | 12.00% | 8.00% | 50% |
| Return on Capital Employed | In % | 9.17% | 8.58% | 7% |
| Return on Investment (Assets) | In % | 8.52% | 1.28% | 566% |

**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 / (Credit Purchases / Average Trade payables)
Net Capital Turnover Ratio =((Net Sales / Average Working Capital (Current Assets-Current Liabilities))
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment = Income generated from invested funds/Average invested funds in treasury investments

**Reasons for Variation if more than 25%**

**Current Ratio**

The current ratio is higher mainly due to substantial amount of Short term loans repaid during the year out of QIP funds.

**Debt equity ratio**

Major portion of the term loans have been repaid during the year and accordingly, the Debt Equity Ratio has improved.

**Debt Service Coverage Ratio**

Due to increase in profit and reduction in loan liability , the Debt Service Coverage Ratio has significantly improved.

**Return on Equity ratio**

The return on equity ratio is increased mainly due to increase in profitability during the year.

**Net Capital Turnover Ratio**

Due to decrease in short term borrowings compared to earlier year,the Capital turnover ratio improved

**Net Profit Ratio**

Due to improved Turnover and profitability the net profit ratio has increased

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**Return on Investments**

Due to unutilized QIP Funds kept in Fixed Deposits, the Return of investments improved substantially compared to earlier year

**(k) 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.

**(l) Advance or loan or investment to intermediaries and receipt of funds from intermediaries**

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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 the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(m) 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.

**(n) 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.

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **50** | **Disclosure of Leases** | | |
| | **(i) Changes in the carrying value of right-of-use assets.** | | |
| | **Particulars** | **Category of Right-of-use asset** | |
| | | **Building** | **Building** |
| | **Balance as at 1st April, 2022** | **-** | **-** |
| | Additions during the year | - | - |
| | Termination during the year | - | - |
| | Depreciation | - | - |
| | **Balance as at 31st March, 2023** | **-** | **-** |
| | Additions during the year | 100.36 | - |
| | Termination during the year | - | - |
| | Depreciation | (33.45) | - |
| | **Balance as at 31st March, 2024** | **66.91** | **-** |
| | The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 35) | | |
| | **(ii) Movement in Lease Liabilities** | **-** | |
| | **Particulars** | | |
| | **Opening Balance** | | **-** |
| | Additions during the year | 100.36 | - |
| | Finance cost accrued during the year | 11.04 | - |
| | Termination during the year | - | - |
| | Payment of lease liabilities | (41.07) | - |
| | **Closing Balance** | **70.33** | **-** |
| | (iii) Break-up of current and non-current lease liabilities. | | |
| | **Particulars** | | |
| | Non-current lease liabilities | 37.00 | - |
| | Current lease liabilities | 33.33 | - |
| | **Total** | **70.33** | **-** |
| | (iv) Contractual maturities of lease liabilities on undiscounted basis. | | |
| | **Particulars** | | |
| | Not later than one year | 41.07 | - |
| | Later than one year but not later than five years | 41.07 | - |
| | Later than five years | | |
| | **Total** | **82.14** | **-** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**51 Audit trail:**

The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. The Company has an established process of regularly identifying shortcomings, if any, and updating technological advancements and features including audit trail. The shortcomings identified during the course of audit are being reviewed and corrective action is being taken wherever required.

₹ in lakhs

**52 Discontinuing operations**

During the previous year, the Company has completed the sale of Orchid Towers which is previously classified as disposal group as per Ind AS 105. Accordingly the gain of Rs. 3921.04 lacs has been disclosed in exceptional items in profit and loss account.

During the year 2021-22, the Company had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non- Current Assets held for sale and Discontinued operations". Further, during the previous year the related working capital adjustment as per the Sale Agreement was finailised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations.

**(i) The carrying value of the total assets and liabilities of discontinued operations**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Liabilities** | | |
| Non Current liabilities | - | - |
| Financial Liabilities | - | - |
| Other Current Liabilities | - | - |
| **Total liabilities** | **-** | **-** |
| **Assets** | | |
| Property, Plant and Equipment (PPE) | - | - |
| Intangible Assets | - | - |
| Capital Work in Progress | - | - |
| Intangible under development | - | - |
| Non Current Financial Assets | - | - |
| Current Financial Assets | - | - |
| Other current assets | - | - |
| **Total Assets** | **-** | **-** |
| **Net Assets/ (Liabilities)** | **-** | **-** |

**(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Revenue** | | |
| Revenue from operations | - | - |
| Other Income | - | (105.81) |
| **Total revenue (a)** | - | (105.81) |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Cost of materials consumed | - | - |
| Changes in inventories of work-in-progress, stock in trade and finished goods | - | - |
| Employee benefits expense | - | - |
| Depreciation and amortization expense | - | - |
| Other expenses | - | - |
| **Total expenses (b)** | - | - |
| **Profit/ (Loss) before exceptional item and tax (a-b) = (c)** | **-** | **(105.81)** |
| **Less : Exceptional item** | - | - |
| **Profit/ (Loss) before tax** | **-** | **(105.81)** |
| **Tax expenses** | - | - |
| **Profit/ (Loss) from discontinuing operations** | **-** | **(105.81)** |

As required by Ind AS 105, the Company re-presented the disclosures for prior periods presented in the Standalone financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

# Notes to the financial statements as at and for the period ended March 31, 2024
(All amounts are INR lakhs, except share data and unless otherwise stated)

₹ in lakhs

**53** During the year the Company allotted Equity shares of 99,02,705 fully paid up of face value Rs. 10/- each on 27th June 2023 by way of Qualified Institutional Placement (QIP) whereby proceeds of Rs.39180 Lakhs (Net of Share issue expenses of Rs.805.79 lakhs ) was raised. Further, post receipt of Listing Approval and Trading approval dated June 30, 2023, the newly issued shares were available for trading on Stock Exchanges w.e.f. July 03, 2023. As on March 31, 2024. the entire net Proceeds of Rs.39180 Lakhs was received by the Company under the QIP and the Statement of Net funds raised as per Offer document and its utilisation is furnished below :

| Particulars | Amount as stated in the Offer Document (Rs. in Lakhs) | Total amount utilised upto March 31, 2024 (Rs. In Lakhs) | Balance amount as on March 31, 2024 kept in Fixed deposits (Rs. In Lakhs) | Remarks |
|---|---|---|---|---|
| 1) Investment in OBPL (subsidiary) for setting up Jammu Manufacturing Facility | 9000 | 412 | 8588 | |
| 2) Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company | 14100 | 14100 | - | |
| 3) Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu | 9982 | - | 9982 | |
| 4) General corporate purposes | 6098 | 512 | 5860 | # |
| **Total** | **39180** | **15024** | **24430** | |

#As per the QIP offer document the amount allocated for General Corporate Purpose (GCP) was Rs. 6098 Lakhs which was based on the proposed net proceeds after issue expenses being Rs. 39180 Lakhs. However, net proceeds transferred to Monitoring Account was Rs. 39454 Lakhs as against the proposed Net Proceeds of Rs. 39180 Lakhs, therefore the surplus amount of Rs. 274 Lakhs has been included in the GCP Balance as on 31st March, 2024.

**54** During the previous year the Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non- Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

**55** Previous year figures have been regrouped or rearranged wherever considered necessary.

**56** The financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 23, 2024.

As per our report of even date attached
**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
Sudesh Choraria
Partner
Membership No. 204936

Place : Mumbai
Date : May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Whole-time Director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date : May 23, 2024

# CONSOLIDATED FINANCIAL STATEMENT

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Orchid Pharma Limited**

**Report on the Audit of the Consolidated financial statements**

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of **Orchid Pharma Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Associate, which comprise of the consolidated balance sheet as at M arch 31,2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit (including other comprehensive income), consolidated Total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended on that date.

**Basis for Qualified Opinion**

We draw attention to the fact that the Consolidated Financial Statements for the year ended March 31, 2024 include the financial statements for the year ended March 31, 2024, of the following subsidiary companies:

i) Orchid Europe Limited, UK (Upto 27th September 2022)

ii) Orchid Pharmaceuticals Inc., USA

iii) Bexel Pharmaceuticals Inc., USA

iv) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (Upto 31st January 2024)

v) Diakron Pharmaceuticals, Inc. USA

vi) Orchid Bio-Pharma Limited

The consolidated financial statements also include the financial information of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method.

We did not audit the financial statements of the above subsidiaries and Associate whose financial statements reflect total Assets of Rs.957.58 Lakhs and net Assets of Rs.(-) 6379.90 Lakhs as at March 31, 2024, total revenue from operations of Rs. Nil, total comprehensive income after tax of Rs.(-) 2.86 Lakhs for the year ended March 31, 2024 respectively and net cash flows amounting to Rs.(-) 82.54 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 289.78 Lakhs of the associate for the year ended March 31, 2024, as considered in the consolidated financial statements

The standalone financial statements of the subsidiaries (other than Orchid Bio-Pharma Limited) and associate 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 and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate as at March 31, 2024 included in the Consolidated Financial Statements.

We conducted our audit of the consolidated financial statements` in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated 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 Code of Ethics.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

**Emphasis of Matter**

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

Note 42 to the financial statements relating to the fact that the Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. We were informed that as part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. We were also informed that since the present rent as per erstwhile lease agreement is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation and the uncertainties involved, the Group disputed the portion of the lease rent, considered to be excessive than the market rate as assessed by an independent valuer, amounting to Rs. 3,871.68 Lakhs unto March 31, 2024 in respect of the aforesaid lease. The same has been treated as contingent liability in the Consolidated financial statements of the group.

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

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the matter stated below, our description of how our audit addressed the matter is provided in that context.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **1. Revenue Recognition (Refer Note 3 (c) and 30 to the Consolidated financial Statements)** | |
| Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.<br>We focussed on this area as a key audit matter as the value is significant and also since Exports form a substantial part of the Sales of the Group, wherein there are multiple terms of Sale, an inherent risk exists of revenue being recognized before the control is transferred. | As part of our audit procedures, we:<br>➢ Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115.<br>➢ Evaluated the design, tested the implementation and operating effectiveness of the Holding Company's internal controls including general IT controls and key IT application controls over recognition of revenue.<br>➢ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents.<br>➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents.<br>➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Group's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Group's annual report, but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Consolidated Financial Statements**

The Holding Group's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies/ entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each group and for preventing and detecting frauds and other irregularities; the 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 Statements that give a true and fair view and are free from material misstatement, 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 Statements by the Directors of the Group, as aforesaid.

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls over financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and 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 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 Consolidated Financial Statements 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 to cease to continue as a going concern

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Group and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 2024 and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

We did not audit the financial statements of a subsidiary whose financial statements includes total assets of Rs.2360.35 Lakhs as at March 31, 2024, total revenues of Rs.Nil, total net profit after tax of Rs. 31.46 Lakhs, total comprehensive income of Rs.31.46 Lakhs for the year ended March 31, 2024 and net cash inflow of Rs.(-) 15.78 Lakhs for the year ended March 31, 2024, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements, subject to our comments in the basis of qualified opinion paragraph of our report.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company none of the directors are disqualified as on March 31,2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2024 paid by the group to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act, and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group - Refer Note 42 to the Consolidated Financial Statements;

   ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts,

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024;

   iv. The Management has represented that, to the best of its knowledge and belief:

      (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The respective managements of the Holding Group and its subsidiaries, which are companies incorporated in India, if any, whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, if any, no funds have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      (c) Based on the audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

   v. The Group has not declared or paid any dividends during the year and accordingly reporting on compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level, as described in note 45 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

**For Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership no: 204936
UDIN: 24204936BKGEAR7098

**Date: May 23, 2024**
**Place: Mumbai**

**Annexure – A to the Independent Auditor's Report of even date to the members of Orchid Pharma Limited on the Consolidated financial Statements as of and for the year ended March 31, 2024**

(Referred to in paragraph 1 (f) of our Report on Other legal and regulatory requirements)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**Opinion**

We have audited the internal financial controls over financial reporting of **Orchid Pharma Limited** (hereinafter referred to as the 'Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Associate, as of and for the year ended March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

In our opinion, the Group has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2024, based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The Group's management and the Board of Directors are responsible for establishing and maintaining internal financial controls over financial reporting based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial control system over financial reporting.

**Meaning of Internal Financial Controls over financial reporting**

A group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership no: 204936
UDIN: 24204936BKGEAR7098

**Date: May 23, 2024**
**Place: Mumbai**

## 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, 2024 – Consolidated Basis [Pursuant to Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2015]

| 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 and exceptional Income) | 85023.10 | 85023.10 |
| | 2 | Total Expenditure (Including finance cost and exceptional items) | 75806.45 | 75806.45 |
| | 3 | Net Profit / (Loss) | 9216.65 | 9216.65 |
| | 4 | Earnings per Share (In Rs.) | 19.06 | 19.06 |
| | 5 | Total Assets | 155387.39 | 155387.39 |
| | 6 | Total Liabilities | 38440.78 | 38440.78 |
| | 7 | Net worth | 116946.61 | 116946.61 |
| | 8 | Any Other Financial item(s) (as felt appropriate by the management) | - | - |
| II | **Audit Qualification (Each audit qualification separately)** | | | |
| 1 | (a) | **Details of Audit Qualification:** | | |

The Consolidated Financial Statements for the year ended March 31, 2024 include the financial statements for the year ended March 31, 2024, of the following subsidiary companies:

(i) Orchid Pharmaceuticals Inc., USA
(ii) Bexel Pharmaceuticals Inc., USA
(iii) Diakron Pharmaceuticals, Inc. USA
(iv) Orchid Bio-Pharma Limited
(v) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (Upto 31st Jan, 2024)
(vi) Orchid Europe Limited, UK (Upto 27th September, 2022)

The consolidated financial statements also include the results of M/s Orbion Pharmaceuticals Private Limited, an associate company accounted under equity method.

We did not audit the financial statements of 5 subsidiaries and an Associate whose financial statements reflect total Assets of Rs. 957.58 Lakhs and net Assets of Rs.(-) 6379.90 Lakhs as at March 31, 2024, total revenue from operations of Rs. Nil and Rs.Nil, total comprehensive income after tax of Rs.( -) 2.86 Lakhs and Rs.(-) 2.86 Lakhs for the quarter and year ended March 31, 2024 respectively and net cash flows amounting to Rs. 82.54 Lakhs for the year ended on that date as considered in the consolidated financial statements. We also did not audit the Group's share of net Profit / loss (after tax) of Rs.(-) 54.62 Lakhs and Rs.(-) 289.78 Lakhs of the associate for the quarter and year ended March 31, 2024 respectively, as considered in the consolidated financial statements.

The financial statements of the subsidiaries and associate 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 and associate, is based solely on such unaudited financial statements. Accordingly, we do not express any opinion on the completeness and true and fair view of the financial statements, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries and associate and foreign currency translation reserve as at

| | | | |
|---|---|---|---|
| | March 31, 2024 included in the consolidated financial statements. This has also been qualified in the Limited Review reports of the earlier quarters and audit reports of the earlier years. | | |
| | (b) | **Type of Audit Qualification :** | Qualified opinion |
| | (c ) | **Frequency of Qualification :** | Repetitive |
| | (d) | **For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:** | N.A. |
| | (e ) **For Audit Qualification(s) where the impact is not quantified by the auditor:** | | |
| | (i) | **Management's estimation on the impact of audit qualification:** | N.A. |
| | (ii) | **If management is unable to estimate the impact, reason for the same** | The subsidiaries of the Company are located in USA and India. Audit is not compulsory for companies in USA, if they are not publicly traded. Orchid Europe Limited and Orchid Pharmaceuticals SA (Proprietary) Limited have been closed now. Orchid Pharmaceuticals Inc. is now audited up to March 31, 2023. Further, transactions in majority Subsidiaries are Nil/or very less. Further the accounts consolidated of India Subsidiary is audited. |
| | (iii) | **Auditor's Comment on (i) or (ii) above:** | Refer "Basis for Qualified Opinion" in our audit report. |

**III** **Signatories**

| Sd/- | sd/- | Sd/- |
|---|---|---|
| **Sunil Gupta** | **Manish Dhanuka** | **Manoj Goyal** |
| **Chief Financial Officer** | **Managing Director** | **Audit Committee Chairman** |
| | **DIN: 00238798** | |

Place: Gurugram
Date : May 23, 2024

**Statutory Auditor**

Refer our Independent Auditors' report dated May 23, 2024 on Consolidated Financial Results of the Company

**For Singhi & Co.**

**Chartered Accountants**

**Firm Registration No: 302049E**

Sd/-

**Sudesh Choraria**

**Partner**

**Membership No: 204936**

Place : Mumbai
Date : May 23, 2024

# Consolidated Balance Sheet as at March 31, 2024

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

₹ in lakhs

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 61,892.39 | 57,270.88 |
| Intangible assets | 4 | 64.08 | 38.57 |
| Capital work in progress | 5 | 1,639.39 | 4,646.34 |
| Intangible assets under development | 5A | 1,427.77 | - |
| Right of use assets | 4 | 66.91 | - |
| Financial assets | | | |
| Investments | 6 | 4,582.39 | 4,444.13 |
| Other financial assets | 7 | 596.37 | 687.48 |
| Non current tax assets (net) | 8 | 5,130.15 | 5,130.15 |
| Other non current assets | 9 | 912.93 | 202.11 |
| **Total non-current assets** | | **76,312.38** | **72,419.66** |
| **Current assets** | | | |
| Inventories | 10 | 26,422.61 | 22,873.80 |
| Financial assets | | | |
| Investments | 11 | - | - |
| Trade receivables | 12 | 19,554.71 | 21,519.38 |
| Cash and cash equivalents | 13 | 360.09 | 2,259.71 |
| Bank balances other than above | 14 | 26,296.42 | 802.91 |
| Loans | 15 | - | - |
| Other financial assets | 16 | 450.48 | 15.84 |
| Current tax assets (net) | 17 | 164.32 | 95.37 |
| Other current assets | 18 | 5,826.38 | 2,533.96 |
| **Total current assets** | | **79,075.01** | **50,100.97** |
| **Total Assets** | | **1,55,387.39** | **1,22,520.63** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 19 | 5,071.91 | 4,081.64 |
| Other equity | 20 | 1,11,874.70 | 64,783.26 |
| **Total equity** | | **1,16,946.61** | **68,864.90** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 12,042.98 | 14,883.76 |
| Lease liability | 22 | 37.00 | - |
| Provisions | 23 | 363.37 | 1,260.18 |
| Deferred Tax Liability (net) | 24 | - | 322.62 |
| **Total non-current liabilities** | | **12,443.35** | **16,466.56** |

# Consolidated Balance Sheet as at March 31, 2024

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

₹ in lakhs

| | | | |
|---|---|---|---|
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 25 | 1,404.75 | 18,250.81 |
| Lease liability | 26 | 33.33 | - |
| Trade payables | 27 | | |
| - Outstanding Dues of Micro and Small Enterprises | | 866.53 | 158.44 |
| - Outstanding Dues of Creditors other than Micro and Small Enterprises | | 22,091.16 | 17,278.37 |
| Short term provisions | 28 | 208.47 | 348.60 |
| Other current liabilities | 29 | 1,393.19 | 1,152.95 |
| **Total current liabilities** | | **25,997.43** | **37,189.17** |
| **Total Liabilities** | | **38,440.78** | **53,655.73** |
| **Total Equity and Liabilities** | | **1,55,387.39** | **1,22,520.63** |
| **Material Accounting Policies** | **3** | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Singhi & Co.,**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Sudesh Choraria**

Partner

Membership No. 204936

Place : Mumbai

Date: May 23, 2024

**For and on behalf of the board**

Sd/-

**Manish Dhanuka**

Managing Director

DIN: 00238798

Sd/-

**Mridul Dhanuka**

Wholetime director

DIN: 00199441

Sd/-

**Sunil Gupta**

Chief Financial Officer

Sd/-

**Kapil Dayya**

Company Secretary

Place : Gurgaon

Date: May 23, 2024

# Statement of consolidated profit and loss as at March 31, 2024

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

₹ in lakhs

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Continuing Operations** | | | |
| **A Income** | | | |
| Revenue from operations | 30 | 81,936.82 | 66,589.84 |
| Other income | 31 | 3,086.28 | 1,943.05 |
| **Total income** | | **85,023.10** | **68,532.89** |
| **B Expenses** | | | |
| Cost of materials consumed | 32 | 52,835.31 | 40,609.61 |
| Changes in inventories of finished goods and WIP | 33 | (4,389.40) | (2,147.54) |
| Employee benefits expense | 34 | 6,964.17 | 6,535.04 |
| Depreciation and amortisation expense | 35 | 3,323.71 | 5,478.68 |
| Finance costs | 36 | 1,635.45 | 3,222.57 |
| Other expenses | 37 | 15,459.34 | 13,230.88 |
| **Total expenses** | | **75,828.58** | **66,929.24** |
| **C Profit / (Loss) before exceptional items and tax** | | **9,194.52** | **1,603.65** |
| Exceptional items - Income / (Expenses) (Refer Note 55) | | - | 3,921.04 |
| **D Profit / (Loss) before tax from continuing operations** | | **9,194.52** | **5,524.69** |
| Income tax expense | | | |
| Current tax | 38 | 10.71 | - |
| Deferred tax charge/ (credit) | 38 | (322.62) | - |
| **Profit / (Loss) after tax from continuing operations** | | **9,506.43** | **5,524.69** |
| **Discontinuing Operations** | | | |
| **E Profit / (Loss) for the year from discontinued operations** | | - | (677.51) |
| Tax expense of discontinued operations | | - | - |
| **Profit / (Loss) from discontinued operations after tax** | | **-** | **(677.51)** |
| **Profit / (Loss) for the year before share of profit of Associates** | | **9,506.43** | **4,847.18** |
| Add: Share of Profit / (loss) of Associates | | (289.78) | (215.35) |
| **F Profit/ (Loss) for the year** | | **9,216.65** | **4,631.83** |
| **G Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post employment benefit obligations | | (45.06) | (23.28) |
| Gain/ (Loss) on fair valuation of investments | | 11.34 | 5.40 |
| Income tax (charge)/ credit relating to these items | | - | - |
| **Other comprehensive income for the year, net of tax** | | **(33.72)** | **(17.88)** |
| **Total comprehensive Profit / (loss) for the year** | | **9,182.93** | **4,613.95** |

# Statement of consolidated profit and loss as at March 31, 2024

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

₹ in lakhs

| | | | |
|---|---|---|---|
| **Earnings per share** | 39 | | |
| Earnings per equity share ( For continuing operations): | | | |
| - Basic ( Rs.) | | 19.06 | 13.01 |
| - Diluted ( Rs.) | | 19.06 | 13.01 |
| Earnings per equity share ( For discontinued operations ) : | | | |
| - Basic ( Rs.) | | - | (1.67) |
| - Diluted ( Rs.) | | - | (1.67) |
| Earnings per equity share ( For discontinued & continuing operations) : | | | |
| - Basic ( Rs.) | | 19.06 | 11.35 |
| - Diluted ( Rs.) | | 19.06 | 11.35 |
| Material Accounting Policies | 3 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# Statement of consolidated cash flows as at March 31, 2024

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

₹ in lakhs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Cash Flow From Operating Activities** | | |
| Profit/ loss before income tax | 8,904.74 | 4,631.83 |
| Adjustments for | | |
| Depreciation and amortisation expense | 3,323.71 | 5,478.68 |
| (Profit)/ loss on sale of fixed assets (Net) (including Exceptional item) | - | (3,998.50) |
| Loss on sale/ discard of property, plant and equipment | 18.84 | - |
| Advances / Debit balances written off (Net) | 46.27 | - |
| Interest income | (1,634.81) | (61.80) |
| Unrealised forex (gain)/ loss | 762.64 | 164.44 |
| Allowance for expected credit loss | (26.51) | 118.83 |
| Finance costs | 1,635.45 | 3,222.57 |
| Share of loss from associates under equity method | 289.78 | 215.35 |
| (Profit) / loss on sale of investments | - | (1.54) |
| | 13,320.11 | 9,769.86 |
| Change in operating assets and liabilities | | |
| (Increase)/ decrease in Other financial assets | 91.11 | (211.43) |
| (Increase)/ decrease in inventories | (3,548.81) | (5,608.17) |
| (Increase)/ decrease in trade receivables | 1,964.67 | (4,165.35) |
| (Increase)/ decrease in Other assets | (4,049.51) | 1,268.27 |
| Increase/ (decrease) in provisions and other liabilities | (726.37) | (580.94) |
| Increase/ (decrease) in trade payables | 5,485.13 | 1,391.41 |
| **Cash generated from operations** | **12,536.33** | **1,863.65** |
| Add : Income taxes received (net of payments) | 62.87 | (29.85) |
| **Net cash from operating activities (A)** | **12,599.20** | **1,833.80** |
| **Cash Flows From Investing Activities** | | |
| Purchase of Property, plant and equipment (including changes in CWIP) | (6,481.48) | (8,491.31) |
| Sale proceeds of Property, plant and equipment | - | 93.55 |
| Net Sale proceeds of Land & Buildings | - | 5,761.00 |
| (Purchase)/ disposal proceeds of Investments | (428.04) | (103.46) |
| (Investments in)/ Maturity of fixed deposits with banks | (25,493.51) | (427.27) |
| Interest received | 1,200.17 | 46.10 |
| **Net cash used in investing activities (B)** | **(31,202.86)** | **(3,121.39)** |
| **Cash Flows From Financing Activities** | | |
| Proceeds from issue of equity share capital (net of share issue expenses) | 39,194.21 | - |
| Proceeds from Borrowings | - | 17,319.84 |
| Repayment of Borrowings (net) | (20,854.72) | (10,980.63) |
| Finance costs | (1,635.45) | (3,222.57) |
| **Net cash from/ (used in) financing activities (C)** | **16,704.04** | **3,116.64** |
| **Net increase/decrease in cash and cash equivalents (A+B+C)** | **(1,899.62)** | **1,829.05** |
| Cash and cash equivalents at the beginning of the financial year | 2,259.71 | 430.66 |
| **Cash and cash equivalents at end of the year** | **360.09** | **2,259.71** |

**Notes:**

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

## Statement of consolidated cash flows as at March 31, 2024

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

₹ in lakhs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| 2. Components of cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 355.77 | 2,259.05 |
| - in fixed deposit with original maturity of less than 3 months | - | - |
| Cash on hand | 4.32 | 0.66 |
| | **360.09** | **2,259.71** |

3. Reconciliation of Liabilities arising from financing activiities

| Particulars | Outstanding as at 1st April, 2023 | Cash Flows | Non-Cash Changes | Outstanding as at 31st March, 2024 |
|---|---|---|---|---|
| Long Term Borrowings | 19039.52 | (8,164.42) | 1167.88 | 12042.98 |
| Short Term Borrowings | 14095.05 | (12,690.30) | | 1404.75 |
| **Total Liabilities from financing activities** | **33134.57** | **(20,854.72)** | **1167.88** | **13447.73** |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# Statement of Consolidated Changes in Equity as at March 31, 2024

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

| (A) Equity Share Capital | |
|---|---|
| **Balance at the end of March 31, 2022** | **4,081.64** |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the period | - |
| **Balance at the end of March 31, 2023** | **4,081.64** |
| Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the period | 990.27 |
| **Balance at the end of March 31, 2024** | **5,071.91** |

**(B) Other Equity (attributable to the owners of Orchid Pharma Limited)**

| Particulars | Capital Reserve | Capital Reserve on Amalgamation | Securities Premium Reserve | Equity component of Optionally convertible debentures | General Reserve | Foreign Currency Fluctuation Reserve | Other Comprehensive Income | Profit and Loss Account | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2022** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **14,711.55** | **(9.69)** | **(2,31,432.60)** | **60,656.35** |
| Total Comprehensive Income for the year | | | | | | | **(17.88)** | **4,631.83** | **4,613.95** |
| Changes due to prior period errors | - | - | - | - | - | - | - | - | - |
| **Restated Balance as at April 1, 2022** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **14,711.55** | **(27.57)** | **(2,26,800.77)** | **65,270.30** |
| Additions/ (deductions) during the year | - | - | - | - | - | **(487.04)** | **23.28** | **(23.28)** | **(487.04)** |
| **Balance as at March 31, 2023** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **14,224.51** | **(4.29)** | **(2,26,824.05)** | **64,783.26** |
| Total Comprehensive Income for the year | | | | | | | **(33.72)** | **9,216.65** | **9,182.93** |
| Changes due to prior period errors | - | - | - | - | - | - | - | - | - |
| **Restated Balance as at March 31, 2024** | **5,105.69** | **1,63,125.58** | **46,447.86** | **6,856.06** | **55,851.90** | **14,224.51** | **(38.01)** | **(2,17,607.40)** | **73,966.19** |
| Additions/ (deductions) during the year (net) | | | | | | | **45.06** | **(45.06)** | **-** |
| Shares allotted during the year (QIP) (Refer Note 53) | - | - | **38,203.94** | - | - | **(295.43)** | - | - | **37,908.51** |
| **Balance as at March 31, 2024** | **5,105.69** | **1,63,125.58** | **84,651.80** | **6,856.06** | **55,851.90** | **13,929.08** | **7.05** | **(2,17,652.46)** | **1,11,874.70** |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Singhi & Co.,**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Sudesh Choraria**

Partner

Membership No. 204936

Place : Mumbai

Date: May 23, 2024

**For and on behalf of the board**

Sd/-

**Manish Dhanuka**

Managing Director

DIN: 00238798

Sd/-

**Mridul Dhanuka**

Wholetime director

DIN: 00199441

Sd/-

**Sunil Gupta**

Chief Financial Officer

Sd/-

**Kapil Dayya**

Company Secretary

Place : Gurgaon

Date: May 23, 2024

# Notes to the Consolidated financial statements as at and for the year ended March 31, 2024

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

4 Property, plant and equipment

| Particulars | A) Tangible Assets | | | | | | | | | | B) Right of use assets | C) Intangible ass | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land & Site Development | Leasehold Land | Buildings | Plant and Machinery | Furniture and Fittings | Vehicles | Office Equipment | Factory Equipment | Laboratory Equipmen | Total | Buildings | Internally generated DMF and ANDA | Computer Software |
| **Gross Carrying Amount** | | | | | | | | | | | | | |
| **As at March 31, 2022** | **1,228.12** | **0.61** | **14,393.77** | **99,076.60** | **227.28** | **9.98** | **3.48** | **326.78** | **1,305.07** | **1,16,571.69** | | **1,012.91** | **54.06** |
| Additions | 1,373.45 | - | 3,432.00 | 46.16 | 1.81 | - | 2.26 | - | - | 4,855.68 | | 14.21 | - |
| Disposals | (417.44) | - | - | (13.75) | (16.09) | - | - | - | - | (447.28) | | (4.78) | - |
| **As at March 31, 2023** | **2,184.13** | **0.61** | **17,825.77** | **99,109.01** | **213.00** | **9.98** | **5.74** | **326.78** | **1,305.07** | **1,20,980.09** | **-** | **1,022.34** | **54.06** |
| Additions | 379.98 | - | 661.73 | 6,376.28 | 152.31 | 156.21 | 92.55 | - | - | 7,819.06 | 100.36 | - | 138.57 |
| Disposals | - | - | - | - | (9.95) | - | (10.09) | - | - | (20.04) | - | - | - |
| **As at March 31, 2023** | **2,564.11** | **0.61** | **18,487.50** | **1,05,485.29** | **355.36** | **166.19** | **88.20** | **326.78** | **1,305.07** | **1,28,779.11** | **100.36** | **1,022.34** | **192.63** |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| **Accumulated Depreciation/ Amortisation** | | | | | | | | | | | | | |
| **As at March 31, 2022** | **-** | **0.61** | **3,838.20** | **53,052.56** | **169.82** | **3.69** | **3.48** | **145.34** | **1,021.44** | **58,235.14** | | **1,012.91** | **20.33** |
| Charge for the year | - | - | 788.90 | 4,663.58 | 0.50 | - | 0.55 | 15.54 | 5.00 | 5,474.07 | | 1.46 | 3.13 |
| Disposals | - | - | - | - | - | - | - | - | - | - | | - | - |
| **As at March 31, 2023** | **-** | **0.61** | **4,627.10** | **57,716.14** | **170.32** | **3.69** | **4.03** | **160.88** | **1,026.44** | **63,709.21** | **-** | **1,014.37** | **23.46** |
| Charge for the year | - | - | 806.16 | 2,337.81 | 3.91 | 8.85 | 11.84 | 7.00 | 3.54 | 3,179.11 | 33.45 | 2.55 | 110.51 |
| Disposals | - | - | - | - | (0.48) | - | (1.12) | - | - | (1.60) | | - | - |
| **As at March 31, 2024** | **-** | **0.61** | **5,433.26** | **60,053.95** | **173.75** | **12.54** | **14.75** | **167.88** | **1,029.98** | **66,886.72** | **33.45** | **1,016.92** | **133.97** |
| | | | | | | | | | | | | | |
| **Net Block** | | | | | | | | | | | | | |
| As at March 31, 2023 | 2,184.13 | - | 13,198.67 | 41,392.87 | 42.68 | 6.29 | 1.71 | 165.90 | 278.63 | **57,270.88** | | 7.97 | 30.60 |
| **As at March 31, 2024** | **2,564.11** | **-** | **13,054.24** | **45,431.34** | **181.61** | **153.65** | **73.45** | **158.90** | **275.09** | **61,892.39** | **66.91** | **5.42** | **58.66** |

**1. Notes :**

1. The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the respective companies in the group as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipments in the financial statements, the lease agreements are in the name of the respective companies in the group. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.
2. The Group has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Group has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.
3. The group has amortised its Right to use assets (lease hold buildings) on straight line method over a period of lease.
4. The Group has not revalued its intangible asset, since the Group has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

**1 Corporate Information**

The Consolidated Financial Statements comprise financial statements of “Orchid Pharma Limited” (“the Holding Company”) and its subsidiaries and associate (collectively referred to as “the Group”) for the year ended March 31, 2024.

Orchid Pharma Ltd., is one of the leading pharmaceutical companies in India head quartered in Chennai and involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals with exports spanning over 40 countries. Orchid’s world class manufacturing infrastructure include USFDA compliant API and Finished Dosage Form facilities at Chennai in India. Orchid has dedicated state-of-art and GLP compliant R&D infrastructure for Process research, Drug Discovery and Pharmaceutical research at Chennai, India. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid’s Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

According to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT) has, by its order dated June 27, 2019 and the order of the Hon'ble Supreme Court vide its order dated February 28, 2020, Dhanuka Laboratories Limited (DLL), the successful Resolution Applicant, implemented the resolution plan on March 31, 2020.

DLL infused the funds as per the terms of the resolution plan through a special purpose vehicle, Dhanuka Pharmaceuticals Private Limited. The special purpose vehicle was later on merged with the Company as per the terms of the approved resolution plan. Thus the holding company became a subsidiary of M/s Dhanuka Laboratories Limited with effect from March 31, 2020.

The Group has invested in the following subsidiary companies:

a) Orchid Europe Limited, a company formed in the United Kingdom initially to market nutraceuticals through mail order/ direct marketing in the United Kingdom and Europe. This subsidiary company has been wound up during the previous financial year.

b) Bexel Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

c) Orchid Pharmaceuticals Inc., USA to provide services in USA. It has a wholly owned subsidiaries “Orgenus Pharma Inc, USA” which provides services in USA and “Orchid Pharma Inc./Karalex Pharma, USA” which sells pharmaceutical products in USA.

d) Orchid Pharmaceuticals SA ( Proprietary) Limited, South Africa to register and market formulations in South Africa. This subsidiary company has been wound up during this financial year.

e) Diakron Pharmaceuticals Inc., USA engaged in Pharmaceutical research and development.

f) Orchid Bio- Pharma Limited , Inda for manufacture of the KSM as a backward integration to the Holding company's activities.

**2 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.

**Basis of preparation and presentation**

The Consolidated Financial Statements comprises of Orchid Pharma Limited and all its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements. The investment in associate is consolidated using equity methods as per Ind AS 28

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

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

**Principles of Consolidation**

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Group's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

e) The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.

f) The differences in accounting policies of the Holding Company and its subsidiaries/ associates are not material and there are no material transactions from January 1, 2024 to March 31, 2024 in respect of subsidiaries/ having financial year ended December 31, 2023.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

(I) In respect of investments in associate company, the Group has applied equity method for consolidation of its interest in the associate.

**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 periods.

**Functional and presentation currency**

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

The financial statements are approved for issue by the Holding Company's Board of Directors on May 23, 2024.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment (PPE) and Intangible Assets**
The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**Current tax**
Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**Deferred Tax Assets**
Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Fair value**
Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Impairment of Trade Receivables**
The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**Impairment of Non-financial assets (PPE/ Intangible Assets)**
The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Defined Benefit Plans and Other long term employee benefits**
The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**
When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not

feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**2B 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

## 3 Material Accounting Policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Current versus non-current classification**

The Group 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 Group has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

**b) Fair value measurement**

The Group has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

I) In the principal market for the asset or liability;
ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### c) Revenue Recognition

**Sale of goods**

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset., which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

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

**Export entitlements**

In respect of the exports made by the Group, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**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 Group 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 expected credit losses.

**Dividend income**

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### d) 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 Group 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 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 Group 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.

**e) 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.

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.

Right to use assets (lease hold buildings) is amortised on straight line method over a period of lease.

**f) 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 marketed, which ever is earlier.

**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.

**g) Inventories**

Inventories are carried at the lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, cost being determined based on weighted average method.

In respect of work-in-progress, intermediaries and finished goods, cost also includes the variable and fixed overhead incurred for bringing the inventory to present location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**h) 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 Group 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)
- 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 Group 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 Group 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 Group 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 Group 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 Group 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 profit and loss, even on sale of such investments.

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 Group 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 significant delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

**Impairment of financial assets**
In accordance with Ind AS 109, the Group 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 Group 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 Group 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 Group 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 based on 12-month ECL.

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 Group 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 Group 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 Group 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 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 Group 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 from these assets. |
| 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 Group'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 Group 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 instruments.

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 Group 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 Group 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 for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

**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 Group 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".

**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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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:

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

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

| 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. |
| 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 amortised cost. |
| 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.

**I) Foreign currency transactions and translations**

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group 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 Group 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.
The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

**j) 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 Group 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 Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group 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.

**k) Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

**I) Taxes**

**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 Group 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 Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group 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 Group 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) Retirement and other employee benefits**

**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Compensated absences**

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

**n) Leases**

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis or any other systematic approach as adopted by the entity.All other Leases are recognized as follows :

**a) Initial measurement**

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

**b) Subsequent measurement**

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**o) Impairment of non- financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**p) Provisions, contingent liabilities and contingent asset**

**Provisions**

Provisions are recognised when the Group 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 significant, 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.

**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 Group 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 Group 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.

**q) 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.

**r) 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.

**s) Non current assets held for sale and disposal groups**

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable Ind ASs.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

**t) 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.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **5 Capital Work-in-progress** | | |
| Property, plant and equipment under development | 1,639.39 | 4,646.34 |
| | **1,639.39** | **4,646.34** |
| Refer Note 49 (a) for aging schedule of Capital work in progress | | |
| Refer Note 49 (c) for information relating to estimated completion schedule of Capital work in progress. | | |
| **5A Intangible Assets under development** | | |
| Intangible Assets under development | 1427.77 | |
| | **1,427.77** | **-** |
| Refer Note 49 (b) for aging schedule of Intangible Assets under development | | |
| **6 Non-current investments** | | |
| **Non Trade** | | |
| **Investments in companies other than subsidiaries, associates and joint ventures at FVTOCI** | | |
| **i. Investments in Equity Instruments (Quoted)** | | |
| 18,600 equity shares (PY : 18,600 no.s) of Rs.10 each in Bank of India Limited, fully paid up | 25.27 | 13.93 |
| **ii. Investments in Equity Instruments (Unquoted)** | | |
| 6,00,000 (PY: 6,00,000) equity shares of Rs. 10 each in Sai Regency Power Corporation Private Limited, fully paid up | 60.00 | 60.00 |
| 42,00,000 (PY: 42,00,000 ) equity shares of Rs.10 each in Nellai Renewables Private Limited, fully paid up | 420.00 | 420.00 |
| 4166924 (PY: Nil) equity shares of Rs.10 each in Dalavaipuram Renewables Private Ltd fully paid up | 416.70 | - |
| 1,19,568 ( PY: 1,19,568 ) equity shares of Rs.10 each in MSE Financial Services Limited, fully paid up * | 23.99 | 23.99 |
| 8,823 (PY : 8,823 ) equity shares of Rs.1/- each allotted in Madras Enterprises Private Limited * | 3.83 | 3.83 |
| **iii. Investments in Equity Instruments of Associate (Unquoted) at cost** | | |
| 4,55,00,000 equity shares (PY: 4,55,00,000 nos.) of Rs.10 /- each in Orbion Pharmaceuticals private limited fully paid up | 3,692.60 | 3,982.38 |
| | 4,642.39 | 4,504.13 |
| Less: Provision for diminution in value of investments | (60.00) | (60.00) |
| **Total non-current investments** | **4,582.39** | **4,444.13** |
| Aggregate value of quoted investments | 25.27 | 13.93 |
| Aggregate market value of quoted investments | 25.27 | 13.93 |
| Aggregate value of unquoted investments | 4,617.12 | 4,490.20 |
| Aggregate amount of impairment in value of investments | 60.00 | 60.00 |
| * Pursuant to the Scheme of Arrangement of MSE Financial Services Ltd and SRT Ascendancy Solutions Private Ltd with Madras Enterprises Ltd, 2.60 shares of Madras Enterprises Ltd have been allotted for every one share held in MSE Financial Services Ltd. | | |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 7 | **Other non-current financial assets** | | |
| | **(Unsecured, considered good)** | | |
| | Security deposits for electricity and power | 504.71 | 620.05 |
| | Fixed deposits with banks (with original maturity after 12 month from the reporting date) | 1.58 | - |
| | Other Deposits | 90.08 | 67.43 |
| | **(Unsecured, considered doubtful)** | | |
| | Others | 202.66 | 202.66 |
| | Less : Provision for expected credit loss | (202.66) | (202.66) |
| | | **596.37** | **687.48** |
| | **Note :**The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for. | | |
| 8 | **Non Current tax assets(Net)** | | |
| | Advance income tax (net of provision for tax) | 5130.15 | 5,130.15 |
| | | **5,130.15** | **5,130.15** |
| 9 | **Other non-current assets** | | |
| | (Unsecured, considered good) | | |
| | Capital Advances | 912.93 | 202.11 |
| | (Unsecured, considered doubtful) | | |
| | Advances to suppliers | - | 15,333.30 |
| | | 912.93 | 15,535.41 |
| | Less: Provision for expected credit loss | - | (15,333.30) |
| | | **912.93** | **202.11** |
| | **Note :**The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to certain parties during the pre-CIRP period have been fully provided for. During current year these Advances has been adjusted against the provision by the management. | | |
| 10 | **Inventories** | | |
| | Raw Materials | 6,601.01 | 7,588.65 |
| | Intermediates & Work-in-progress | 11,486.56 | 7,745.00 |
| | Tradeed Goods | - | |
| | Finished Goods | 7,442.50 | 6,794.66 |
| | Stores and Spare parts | 313.06 | 133.88 |
| | Chemicals and Consumables | 289.89 | 212.54 |
| | Packing Materials | 289.59 | 399.07 |
| | | **26,422.61** | **22,873.80** |
| | **Note:** The Group has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification. | | |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **11** | **Current Investments** | | |
| | **Fair valued through profit and loss** | - | - |
| | Investment in Mutual Funds | - | - |
| **12** | **Trade receivables** | | |
| | Trade Receivables considered good - Secured | - | - |
| | Trade Receivables considered good - Unsecured | 19,554.71 | 21,519.38 |
| | Trade Receivables which have significant risk increase in credit risk | - | - |
| | Trade Receivables credit impaired | 4,347.91 | 4,374.42 |
| | | 23,902.62 | 25,893.80 |
| | Less: Allowance for expected credit loss | (4,347.91) | (4,374.42) |
| | | **19,554.71** | **21,519.38** |
| | **Note:**<br>Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except to the extent disclosed in Note 47 relating to amounts receivable from related parties.<br>Refer Note 46 for information about risk profile of Trade Receivables under Financial Risk Management.<br><br>Refer Note 49 (d) for the ageing schedule of Trade Receivables. | | |
| **13** | **Cash and cash equivalents** | | |
| | Cash on hand | 4.32 | 0.66 |
| | Balances with banks | | |
| | In current accounts | 355.77 | 2,259.05 |
| | In fixed deposits (having original maturity of less than 3 months) | - | - |
| | | **360.09** | **2,259.71** |
| **14** | **Other Bank Balances** | | |
| | In term deposits with banks (with original maturity within 12 months from the reporting date) | 1.46 | 401.46 |
| | In earmarked accounts | | |
| | In term deposits with banks * (with original maturity within 12 months from the reporting date) | 25,909.27 | - |
| | Escrow Accounts | 294.86 | 310.55 |
| | Fractional Shares Payable Bank Account | 90.83 | 90.90 |
| | | **26,296.42** | **802.91** |
| | **Note:**<br>* The above deposit represents the unutilized balance (including interst accrued) out of QIP funds raised during the year by the Holding Company which are earmarked for utilization for the purposes specified In the Offer document. Refer Note 54. | | |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **15 Loans** | | |
| (Unsecured, considered doubtful) | | |
| Loans to related parties | 99.25 | 99.25 |
| | 99.25 | 99.25 |
| Less : Allowance for expected credit loss | (99.25) | (99.25) |
| | - | - |
| **Note :** The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The loans given to other related parties during the pre-CIRP period have been fully provided for. | | |
| **16 Other current financial assets** | | |
| (Unsecured, considered good) | | |
| Interest accrued on deposits | 450.48 | 15.84 |
| | **450.48** | **15.84** |
| **17 Current tax assets** | | |
| Advance income tax (net of provision for tax) | 164.32 | 95.37 |
| | **164.32** | **95.37** |
| **18 Other current assets** | | |
| (Unsecured, considered good) | | |
| Advance recoverable in cash or in kind | | |
| Advance to suppliers | 1,022.41 | 935.18 |
| Prepaid expenses | 221.81 | 379.10 |
| Export Incentives receivable | 30.19 | - |
| Balances with Statutory Authorities | 4,549.32 | 1,217.07 |
| Other deposits | 2.65 | 2.61 |
| | 5,826.38 | 2,533.96 |
| (Unsecured, considered doubtful) | | |
| Advances to Suppliers | 29.05 | 29.05 |
| Less : Allowance for expected credit loss | (29.05) | (29.05) |
| | **5,826.38** | **2,533.96** |
| Note :The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment. The advances given to certain suppliers during the pre-CIRP period have been fully provided for. | | |
| **19 Capital** | | |
| **Authorised Share Capital** | | |
| 15,00,10,000 (Previous year 15,00,10,000) Equity shares of Rs. 10 each* | 15,010.00 | 15,010.00 |
| | **15,010.00** | **15,010.00** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| * The authorised share capital of the Company has increased by 10,000 shares of Rs.10 each pursuant to a scheme of amalgamation. However, the same is yet to be updated in the records of the registrar of companies. The Company is closely following it up for regularization. | | |
| **Issued Share Capital** | | |
| 5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each | 5,071.91 | 4,081.64 |
| | **5,071.91** | **4,081.64** |
| **Subscribed and fully paid up share capital** | | |
| 5,07,19,105 (Previous year 4,08,16,400) Equity shares of Rs. 10 each fully paip up | 5,071.91 | 4,081.64 |
| | **5,071.91** | **4,081.64** |
| **Notes:** | | |
| (a) **Reconciliation of number of equity shares subscribed** | | |
| Balance at the beginning of the period (Nos.) | 4,08,16,400 | 4,08,16,400 |
| Additions during the period | 99,02,705 | - |
| Balance at the end of the period (Nos.) | **5,07,19,105** | **4,08,16,400** |

(b) **Shareholders holding more than 5% of the total share capital**

| Name of the share holders | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No of shares | % | No of shares | % |
| Dhanuka Laboratories Limited | 3,54,19,957 | 69.84 | 3,67,19,957 | 89.96 |
| Quant Mutual Fund | 34,65,947 | 6.83 | - | - |

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

| Name of the share holders | March 31, 2024 | | March 31, 2023 | | % of change |
|---|---|---|---|---|---|
| | No of shares | % age | No of shares | % age | |
| Dhanuka Laboratories Limited (Holding Company) | 3,54,19,957 | 69.84 | 3,67,19,957 | 89.96 | -20.12 |

**(d) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The Group has only one class of equity shares having a par value of Rs.10 each. The equity shares of the Group having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Group has not proposed any dividend.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **20** | **Other Equity** | | |
| | Capital Reserve | 5,105.69 | 5,105.69 |
| | Capital Reserve on Amalgamation | 1,63,125.58 | 1,63,125.58 |
| | Securities Premium Reserve | 84,651.80 | 46,447.86 |
| | Equity component of Optionally convertible debentures | 6,856.06 | 6,856.06 |
| | General Reserve | 55,851.90 | 55,851.90 |
| | Foreign Currency Fluctuation Reserve | 13,929.08 | 14,224.51 |
| | Other Comprehensive Income | 7.05 | (4.29) |
| | Retained Earnings | (2,17,652.46) | (2,26,824.05) |
| | | **1,11,874.70** | **64,783.26** |
| | **a) Capital reserve** | | |
| | Balance at the beginning and end of the year | **5,105.69** | **5,105.69** |
| | Capital reserve was created in the earlier years in respect of business acquired by the Group. The Group can use this reserve for issuing fully paid up Bonus shares. | | |
| | **b) Capital Reserve on Amalgamation** | | |
| | Balance at the beginning and end of the year | **1,63,125.58** | **1,63,125.58** |
| | Capital reserve on Amalgamation was created in the earlier years as per approved resolution plan on the amalgamation of the special purpose vehicle with the Group. The Group can use this reserve for issuing fully paid up Bonus shares. | | |
| | **c) Securities Premium Reserve** | | |
| | Balance at the beginning of the year | 46,447.86 | 46,447.86 |
| | Additions during the period (net of share issue expenses adjusted of Rs. 805.79 lakhs) | 38,203.94 | - |
| | Balance at the end of the year | **84,651.80** | **46,447.86** |
| | Securities Premium was credited when shares are issued at a premium. The Group can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed | | |
| | **d) Equity component of Optionally convertible debentures** | | |
| | Balance at the beginning and end of the year | **6,856.06** | **6,856.06** |
| | This represents the equity component accounted as per split accounting prescribed for compound financial instruments under Ind AS 109 "Financial Instruments". This will be available as free reserves once the Group completed the conversion of the debentures into equity. | | |
| | **e) General Reserve** | | |
| | Balance at the beginning and end of the year | **55,851.90** | **55,851.90** |
| | General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. This is a free reserve and the Group can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act2013 | | |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **f) Foreign Currency Fluctuation Reserve** | | |
| Balance at the beginning of the year | 14,224.51 | 14,711.55 |
| Additions/ (deductions) during the year | (295.43) | (487.04) |
| Balance at the end of the year | **13,929.08** | **14,224.51** |
| Foreign Currency Fluctuation Reserve represents the cumulative impact of translating the financial statements of foreign subsidiaries. The same will be reclassified to the profit and loss account on disposal of investments in those subsidiaries in accordance with Ind AS 21. | | |
| **g) Other Comprehensive Income** | | |
| Balance at the beginning of the year | (4.29) | (9.69) |
| Additions during the year | (33.72) | (17.88) |
| Deductions/Adjustments during the year | 45.06 | 23.28 |
| Balance at the end of the year | **(7.05)** | **(4.29)** |
| Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Group has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Group transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised. | | |
| **h) Retained Earnings** | | |
| Balance at the beginning of the year | (2,26,824.05) | (2,31,432.60) |
| Net Profit /(loss) for the year | 9,216.65 | 4,631.83 |
| Transfer from Other Comprehensive Income | (45.06) | (23.28) |
| Balance at the end of the year | **(2,17,652.46** | **(2,26,824.05** |
| Retained Earnings represent the undistributed profits/ accumulated losses of the Group remaining after transfer to other Reserves. | | |
| **21 Long Term Borrowings** | | |
| **Secured *** | | |
| From Banks | | |
| Rupee Term Loans | 22.07 | 3,205.16 |
| Foreign Currency term Loans | - | 4,959.26 |
| **Unsecured** | | |
| 0% Optionally Convertible Debentures | 12,020.91 | 10,875.10 |
| | 12,042.98 | 19,039.52 |
| Less: Current maturities of long term borrowings (refer Note 25) | - | (4,155.76) |
| | **12,042.98** | **14,883.76** |

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note :** | | |
| * Refer Note 45 for repayment terms and security details | | |
| The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date. | | |
| Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees | | |
| Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management. | | |
| **22 Lease liability - non current** | | |
| Lease liability | 37.00 | - |
| | **37.00** | **-** |
| **23 Provisions (Non-current)** | | |
| Provision for Employee Benefits | | |
| Gratuity | 119.37 | 1,011.32 |
| Compensated absences | 244.00 | 248.86 |
| | **363.37** | **1,260.18** |
| **24 Deferred Tax Asset / (Liability) - Net** | | |
| **Deferred Tax Liability** | | |
| On Property, plant and equipment | 11,081.42 | 8,610.56 |
| On Others | - | 322.62 |
| | 11,081.42 | 8,933.18 |
| **Deferred Tax Asset** | | |
| On unabsorbed tax depreciation | 11,081.42 | 8,610.56 |
| | 11,081.42 | 8,610.56 |
| **Net deferred tax asset / (liability)** | **-** | **(322.62)** |
| **Note:** In view of carry forward tax losses, the recognition of deferred tax asset has been scaled down to the extent of deferred tax liability | | |
| **25 Current liabilities - Borrowings** | | |
| **Secured** | | |
| Cash Credit Facility / Working Capital Demand Loans and Buyers Credit | 1,404.75 | 14,095.05 |
| Current maturities of long term borrowings (refer Note 21) | - | 4,155.76 |
| | **1,404.75** | **18,250.81** |
| * Refer Note 45 for repayment terms and security details | | |

**Note:** Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Group, present and future. The quarterly returns or statements filed by the Group with the banks or financial institutions are in agreement with the books of accounts, except in the following cases.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|

| Quarter ended | As per financials | As per returns filed with banks | Difference | Reason |
|---|---|---|---|---|
| June 30, 2023 | 20011.71 | 19297.30 | 714.41 | The difference is mainly due to estimated over head rate considered while valuing WIP and FG given to the bank and the actual over head rate finalised on completion of limited review of the quarterly results. Also the bank stock statement does not include R&D Stock (INR 475.55 lacs) |

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Refer Note No. 46 for information about risk profile of borrowings under Financial Risk

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **26** | **Lease liability - Current** | | |
| | Lease liability | 33.33 | - |
| | | **33.33** | **-** |
| **27** | **Trade payables** | | |
| | Dues to Micro enterprises and Small enterprises | 866.53 | 158.44 |
| | Dues to Creditors other than Micro and Small enterprises | 22,091.16 | 17,278.37 |
| | | **22,957.69** | **17,436.81** |

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Refer Note 41.

Refer Note 46 for information about risk profile of trade payables under Financial Risk Management.

Refer Note 49 (e) for information about aging of Trade Payables

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **28** | **Provisions- Current** | | |
| | Provision for employee benefits | | |
| | Gratuity | 160.73 | 299.41 |
| | Leave encashment | 47.74 | 49.19 |
| | | **208.47** | **348.60** |
| **29** | **Other current liabilities** | | |
| | Statutory Liabilities | 359.06 | 148.36 |
| | Fractional Share amount payable to shareholders | 90.84 | 90.91 |
| | Employee payables | 748.63 | 746.09 |
| | Advance and deposits from customers etc., | 194.66 | 167.59 |
| | | **1,393.19** | **1,152.95** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| 30 | **Revenue from operations** | | |
| | Sale of Products | 81,512.03 | 65,561.06 |
| | Sale of Services | 99.44 | 104.52 |
| | Other Operating Revenues | | |
| | Sale of Other Materials | 295.16 | 924.26 |
| | Export promotion incentives | 30.19 | - |
| | | **81,936.82** | **66,589.84** |
| 31 | **Other income** | | |
| | Interest income on Bank Deposits etc | 1,634.81 | 61.80 |
| | Profit on sale of property, plant and equipment | - | 93.55 |
| | Foreign exchange gain (net) | 673.46 | 520.14 |
| | Profit on sale of investments | - | 1.54 |
| | Other non-operating income | 778.01 | 1,266.02 |
| | | **3,086.28** | **1,943.05** |
| 32 | **Cost of materials consumed** | | |
| | Opening inventory of raw materials | 7,588.65 | 4,283.13 |
| | Add : Purchases | 51,847.67 | 43,915.13 |
| | Less : Closing inventory of raw materials | (6,601.01) | (7,588.65) |
| | | **52,835.31** | **40,609.61** |
| 33 | **Changes in inventories of work-in-progress, stock in trade and finished goods** | | |
| | Opening stock | | |
| | Intermediates & Work-in-progress | 7,745.00 | 6,907.63 |
| | Traded Goods | | |
| | Finished Goods | 6,794.66 | 5,484.49 |
| | | **14,539.66** | **12,392.12** |
| | Closing stock | | |
| | Intermediates & Work-in-progress | 11,486.56 | 7,745.00 |
| | Traded Goods | | |
| | Finished Goods | 7,442.50 | 6,794.66 |
| | | **18,929.06** | **14,539.66** |
| | Total changes in inventories | **4,389.40** | **2,147.54** |
| 34 | **Employee benefits expense** | | |
| | Salaries and wages | 5,891.97 | 5,449.92 |
| | Contribution to provident and other funds | 393.63 | 424.91 |
| | Staff welfare expenses | 678.57 | 660.21 |
| | | **6,964.17** | **6,535.04** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **35** | **Depreciation and amortisation expense** | | |
| | Depreciation on Property, Plant and Equipment | 3,177.20 | 5,477.90 |
| | Amortisation of Right of use assets | 33.45 | - |
| | Amortisation of Intangible Assets | 113.06 | 0.78 |
| | | **3,323.71** | **5,478.68** |
| **36** | **Finance Cost** | | |
| | Interest on Bank Borrowings | 222.04 | 1,527.85 |
| | Less : Transferred to Capital work in progress | 133.05 | 69.32 |
| | Net interest on bank borrowings | 88.99 | 1,458.53 |
| | Interest on Others | 1,546.46 | 1,764.04 |
| | | **1,635.45** | **3,222.57** |
| **37** | **Other expenses** | | |
| | Power and Fuel | 6,292.48 | 6,126.21 |
| | Consumption of Stores, Spares & Chemicals | 1,392.75 | 1,255.53 |
| | Rent | 1.93 | 0.35 |
| | Repairs to buildings | 163.78 | 134.60 |
| | Repairs to Machinery | 84.06 | 83.02 |
| | Factory maintenance | 1,624.58 | 1,445.75 |
| | Insurance | 425.40 | 395.91 |
| | Rates & Taxes | 156.81 | 98.24 |
| | Research & Development Expenses | 709.37 | 636.21 |
| | Advertisement | 3.04 | 4.06 |
| | Payment to Auditors [refer note 37 (a)] | 32.00 | 35.25 |
| | Cost Audit fee | 2.00 | 2.00 |
| | Travelling and Conveyance | 110.95 | 51.21 |
| | Directors' remuneration & perquisites | 696.89 | 236.21 |
| | Directors' travelling expenses | 71.27 | 52.05 |
| | Directors' sitting fees | 9.70 | 8.00 |
| | Freight outward | 702.99 | 698.41 |
| | Commission on sales | 1,598.45 | 675.02 |
| | Business promotion and selling expenses | 81.15 | 56.14 |
| | Lease rentals | 332.24 | 101.25 |
| | Professional consultancy charges | 383.24 | 445.49 |
| | Allowance for expected credit loss | (26.51) | 118.83 |
| | Bank charges | 38.11 | 67.65 |
| | Loss on sale/ discard of property, plant and equipment | 18.84 | 16.09 |
| | Advances / Debit balances written off (Net) | 46.27 | - |
| | Miscellaneous expenses | 507.55 | 487.41 |
| | | **15,459.34** | **13,230.88** |

₹ in lakhs

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **37 (a)** | **Payment to Auditors *** | | |
| | For statutory audit | 14.50 | 16.50 |
| | For issuing limited review reports | 7.50 | 7.50 |
| | For tax audit | 2.00 | 2.00 |
| | For certificate and other services # | 8.00 | 9.25 |
| | Out of pocket expenses | - | - |
| | | **32.00** | **35.25** |
| | * Excludes Payment towards the certification services of QIP of Rs. 23.50 lakhs which was adjusted against the share premium account | | |
| | # including Rs. 8.25 lakhs paid to earstwhile auditors in the previous year figures | | |
| **38** | **Taxes on Income** | | |
| | **Income tax expense** | | |
| | Income tax expense | 10.71 | - |
| | | **10.71** | **-** |

**Movement of deferred tax expense**

**For the year ended March 31, 2024**

| Deferred tax (liabilities)/assets in relation to: | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| Property, plant, and equipment and Intangible Assets | (8,610.56) | (2,470.86) | - | (11,081.42) |
| Unabsorbed tax depreciation* | 8,610.56 | 2,470.86 | - | 11,081.42 |
| Other temporary differences | (322.62) | 322.62 | - | - |
| | **(322.62)** | **322.62** | **-** | **-** |

**For the year ended March 31, 2023**

| Deferred tax (liabilities)/assets in relation to: | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| Property, plant, and equipment and Intangible Assets | (8,283.47) | (327.09) | - | (8,610.56) |
| Unabsorbed tax depreciation* | 8,283.47 | 327.09 | - | 8,610.56 |
| Other temporary differences | (322.62) | - | - | (322.62) |
| | **(322.62)** | **-** | **-** | **(322.62)** |

* Since the Group has unabsorbed depreciation, it has scaled down the recognition of deferred tax asset to that extent it matches with the aggregate deferred tax liability arising on account of property, plant and equipment. However, no deferred tax asset has been created in respect of carry forward business losses in the absence of convincing evidence that sufficient future taxable income will be available for setting off the same.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| 39 | **Earnings per share** | | |
| | Profit for the year from continuing operations attributable to owners of the Group | 9,216.65 | 5,309.34 |
| | Profit for the year from discontinued Operations attributable to the owners of the Group | - | (677.51) |
| | attributable to the owners of the Group | 9,216.65 | 4,631.83 |
| | Weighted average number of ordinary shares outstanding | 4,83,65,183 | 4,08,16,400 |
| | Earnings per equity share ( For continuing operations): | | |
| | - Basic ( Rs.) | 19.06 | 13.01 |
| | - Diluted ( Rs.) | 19.06 | 13.01 |
| | Earnings per equity share ( For discontinued operations ) : | | |
| | - Basic ( Rs.) | - | (1.67) |
| | - Diluted ( Rs.) | - | (1.67) |
| | Earnings per equity share ( For discontinued & continuing operations) : | | |
| | - Basic ( Rs.) | 19.06 | 11.35 |
| | - Diluted ( Rs.) | 19.06 | 11.35 |

**40 Expenditure on Research and Development**

| **Particulars** | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|
| Revenue expenditure relating to Research and Development charged to the Statement of Profit or Loss (excluding depreciation) includes: | | |
| Power and fuel | - | - |
| Consumption of stores, spares and chemicals | 148.35 | 133.31 |
| Salaries, wages and bonus | 483.69 | 402.62 |
| Contribution to Provident and other funds | 24.65 | 18.78 |
| Travelling and conveyance | 6.15 | 0.27 |
| Filing and registration expenses | 0.77 | 0.88 |
| Professional consultancy charges | 6.75 | 63.96 |
| Others | 39.01 | 16.39 |
| **Total** | **709.37** | **636.21** |

**41 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under ***

| **Particulars** | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|
| (a) The principal amount remaining unpaid at the end of the year | 866.53 | 158.44 |
| (b) The delayed payments of principal amount paid beyond the appointed date during the year | - | - |
| (c) Interest actually paid under Section 16 of MSMED Act | - | - |
| (d) Normal Interest due and payable during the year, as per the agreed terms | - | - |
| (e) Total interest accrued during the year and remaining unpaid | - | 15.51 |

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in lakhs

## 42 Commitments and contingent liabilities

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Contingent Liability** | | |
| Claims against the Group not acknowledged as debts | | |
| - Income Tax dispute pending before High Court of Chennai* | - | - |
| - GST tax dispute pending before Commissioner Appeals * | - | - |
| - Electricity Department claim # | 80.93 | 52.26 |
| - Other claims ** | 4,251.46 | 3,456.78 |
| Unexpired Letter of Credits and Bank Guarantees | 1,364.65 | 738.56 |
| **Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 3,096.11 | 675.43 |

* The RP has confirmed that a public announcement was caused by the IRP regarding the initiation of corporate insolvency resolution process and submission of claims was called under section 15 on August 24, 2017. Pursuant to such public announcement, the IRP/ RP of the Corporate Debtor has received certain claims from statutory authorities which was admitted under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC code) and subsequent settlement made as per the approved resolution plan. Accordingly, the Corporate Debtor/ Resolution Applicant/ SPV will have no additional exposure arising out of the claims towards the Statutory Dues which have not been admitted and/or the claims which have been rejected (partly or fully) by the RP and/or because of the re-classification in the category of creditor(s).

Considering the above, all statutory liabilities of the Holding Company of pre-CIRP period is considered as completely settled and no liability, whatsoever, including contingent in nature is existing on implementation of the resolution plan.

** The Group has taken certain lands on lease for its operations in respect of which the lease agreement expired before the date of commencement of the Corporate Insolvency Resolution Process. As part of the right to review the existing agreements, the Group has made a detailed assessment of the market rent for the property and the market value of the property for outright purchase. Since the present rent as per erstwhile lease agreements is significantly high considering the market value of the property itself, the Group is in talks with the lessor for renewal of the lease with lower rent or for outright purchase of the property as part of the implementation of the resolution plan. However, no finality is reached on this matter as of date.

Pending completion of the negotiation, the Company has disputed the portion of the lease rent, considered to be excessive than the market rate, amounting to Rs.3,871.68 Lakhs upto March 31, 2024 (FY : 2022-23 Rs. 3,077.00 lacs)in respect of the aforesaid lease. Based on the legal opinion obtained, the management is of the opinion that no liability will arise on completion of negotiation.

The Group is in the process of discussion with the Lessor for the out of court settlement.

# Tax demand from Electricity board is under dispute and considered as contingent liability from 01.04.2020

## 43 Operating Segments

The operations of the Group falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

₹ in lakhs

**Information relating to geographical areas**

**(a) Revenue from external customers**

| **Particulars** | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|
| India | 14,935.94 | 10,388.91 |
| Rest of the world | 66,576.09 | 55,172.15 |
| | **81,512.03** | **65,561.06** |

**(b) Non current assets**

The manufacturing facilities of the Group is situated in India and no non-current assets are held outside India

**44 Operating lease arrangements**

| **Particulars** | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|
| **As Lessee**<br>The Group has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. | | |
| Lease payments recognised in the Statement of Profit and Loss | 332.24 | 101.25 |

₹ in lakhs

**45 Terms and conditions of borrowings**

**A) Long term borrowings - Term loans from banks**

**1) Foreign Currency Term Loan:**

As per the terms of the Loan agreement, Interest for the Foreign Currency Term Loan (FCTL) is @ 6 Months SOFR plus 2.00% margin. This Loan is repayable in 14 equal quarterly installments starting from December 2021. However, in July 2023 the Group had prepaid and fully settled the said Loan.

**2) Rupee Term Loan :**

Rupee term loan of Rs.5,000 Lakhs was sanctioned during the financial year 2022-23 with the terms of interest @ 8.36% per annum linked with 3 months T bill with a tenor of 54 months including a moratorium of 12 months from first disbursement. The outstanding amount of Rs. 3205.16 lakhs has been prepaid in the month of July 2023 out of QIP funds.

The above Loans were secured by way of :

i) Exclusive charge on the moveable fixed assets of the Company funded out of the Term Loan by way of hypothecation, both present and future

ii) First pari passu charge over

a) all other movable fixed assets of the Company by way of hypothecation, both present and future

b) Immovable Fixed Assets by way of mortgage of land/ leasehold rights and all the buildings of the Company at Alathur, both present and future

c) all the rights, titles, interest, benefits, claims & demand whatsoever of the Company as amended, varied or supplemented from time to time

d) all the title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the Company present or future.

e) intangibles, goodwill, uncalled capital , present and future

iii) The term loans were additionally secured by personal guarantee given by one of the director of the Company Mr. Manish Dhanuka and one of the director of the holding company Mr. Mahendra Kumar Dhanuka

**3) Long term borrowings - 0% Optionally Convertible Debentures**

During the year ended March 31, 2020, the Company has issued 14,300 0% Optionally Convertible Debentures (OCD) of Rs.1,00,000 each. In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCL holders shall be entitled to redemption premium of atleast 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Holding Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender.

**B) Short term borrowings**

During the year YES Bank has renewed Rs.7,500 Lakhs Working Capital credit facility (100% interchangeable) with terms of 3 months T bill + 3.11%. Spread. During the year HDFC bank has renewed Rs.14,900 Lakhs of Working cpaital credit facilities. The present rate of interest is 8.25%. to 8.91% per annum.Both the facilities have been availed by the Holding Company

The cash credit limits and working capital demand loan with the banks are secured by:

i) First Pari pasu charge by way of hypothecation over the entire current assets, both present and future.

ii) Second pari passu charge on all movable fixed assets by way of hypothecation, of all movable fixed assets of the Company, both present and future.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

iii) Second pari passu charge by way of mortgage of land/ leasehold rights and all the buildings present and future of the Company.

iv) First pari passu charge over all the rights, titles, interests, benefits, claims and demand whatsoever of the Company and as amended, varied or supplemented from time to time.

v) First pari passu charge on all the titles, interests, benefits, claims and demand whatsoever of the Company, in any letter of credit, guarantee or performance bond provided by any party to OPL, present or future.

vi) First pari passu charge on intangibles, goodwill uncalled capital present and future.

vii) The cash credit limits and working capital demand loan are additionally secured by personal guarantee given by Managing Director of the Holding Company Mr. Manish Dhanuka and one of the director of the ultimate holding company Mr. Mahendra Kumar Dhanuka

₹ in lakhs

## 46 Financial Instruments

### Capital management

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

The Group 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.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

| Gearing Ratio: | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Debt | 12,042.98 | 19,039.52 |
| Less: Cash and bank balances | 361.55 | 2,661.17 |
| Net debt | 11,681.43 | 16,378.35 |
| | | |
| Total equity | 1,16,946.61 | 68,864.90 |
| Gearing ratio (%) | 9.99% | 23.78% |

| Categories of Financial Instruments | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Financial assets** | | |
| **a. Measured at amortised cost** | | |
| Other non-current financial assets | 596.37 | 687.48 |
| Investment in Associates | 3,692.60 | 3,982.38 |
| Trade receivables | 19,554.71 | 21,519.38 |
| Cash and cash equivalents | 360.09 | 2,259.71 |
| Bank balances other than above | 26,296.42 | 802.91 |
| Other financial assets | 450.48 | 15.84 |
| **b. Mandatorily measured at FVTOCI** | | |
| Investments | 889.79 | 461.75 |
| **c. Mandatorily measured at FVTPL** | | |
| Investments | - | - |
| **Total** | **51,840.46** | **29,729.45** |
| **Financial liabilities** | | |
| **a. Measured at amortised cost** | | |
| Borrowings (non-current, excluding current maturities) | 12,042.98 | 14,883.76 |
| Borrowings (current) | 1,404.75 | 18,250.81 |
| Trade payables | 22,957.69 | 17,436.81 |
| Lease liabilities | 70.33 | - |
| **b. Mandatorily measured at FVTPL** | | |
| Derivative instruments | Nil | Nil |
| **Total** | **36,475.75** | **50,571.38** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**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 Group 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 Group'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 Group 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 Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group 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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

**Disclosure of hedged and unhedged foreign currency exposure**

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As on March 31, 2024**

| Currency (All amt in Lakhs) | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 59.63 | - | 59.63 | 249.66 | - | 249.66 | 190.03 |
| EUR | 2.05 | - | 2.05 | 2.39 | - | 2.39 | 0.34 |
| Others | 2.14 | - | 2.14 | - | - | - | (2.14) |
| In INR | 5,114.04 | - | 5,114.04 | 19,676.74 | - | 19,676.74 | 14,562.70 |

₹ in lakhs

**As on March 31, 2023**

| Currency | Liabilities | | | Assets | | | Net overall exposure on the currency - net assets / (net liabilities) |
|---|---|---|---|---|---|---|---|
| | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency | |
| USD | 143.84 | - | 143.84 | 269.02 | - | 269.02 | 125.18 |
| EUR | 1.91 | - | 1.91 | 0.97 | - | 0.97 | (0.94) |
| Others | 0.02 | - | 0.02 | - | - | - | (0.02) |
| In INR | 12,049.05 | - | 12,049.05 | 22,110.48 | - | 22,110.48 | 10,061.43 |

**Foreign currency sensitivity analysis**

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group'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.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the Group on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

**Interest rate risk management**

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group 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 Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

**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.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease/ increase by Rs. 3.57 lakhs (March 31, 2023 : Rs.55.09 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

**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 Group is exposed to credit risk from its operating activities primarily trade receivables and from its

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

financing/ investing activities, including deposits with banks and foreign exchange transactions. The Group 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 Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group 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.

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 Group 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. Group 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 Group 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 Group invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

| March 31, 2024 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 22,957.69 | - | - | 22,957.69 |
| Borrowings (including interest accrued thereon upto the reporting date) | 1,404.75 | 12,042.98 | - | 13,447.73 |
| Lease | 33.33 | 37.00 | | 70.33 |
| | **24,395.77** | **12,079.98** | **-** | **36,475.75** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| March 31, 2023 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | 17,436.81 | - | - | 17,436.81 |
| Borrowings (including interest accrued thereon upto the reporting date) | 5,978.84 | 14,778.80 | 12,376.93 | 33,134.57 |
| Lease | - | - | - | - |
| | **23,415.65** | **14,778.80** | **12,376.93** | **50,571.38** |

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are | Nil | Nil |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**47 Related party disclosure**

**a) Name of related party and nature of relationship**

| | |
|---|---|
| **Ultimate Holding Company** | Dhanuka Laboratories Limited |
| **Associate Company** | Orbion Pharmaceuticals Private Limited |
| **Key Management Personnel and their relatives** | |
| Mr. Ram Gopal Agarwal | Chairman and non executive director |
| Mr. Manish Dhanuka | Managing Director |
| Mr. Mridul Dhanuka | Wholetime Director |
| Mr. Arjun Dhanuka | Director ( w.e.f 20th October, 2023) |
| Mr. Mahendra Kumar Dhanuka | Relative of Directors |
| Mr. Sunil Gupta | Chief Financial Officer |
| Mr. Kapil Dayya | Company Secretary (w.e.f. 16th December, 2023) |
| Ms. Marina Peter (w.e.f. 06.09.2022) | Company Secretary (upto 12th December , 2023) |
| **Enterprises in which the KMPs are having control/ significant influence** | Otsuka Chemical (India) Pvt Ltd<br>Synmedic Laboratories<br>Dhanuka Agritech Ltd.<br>Invest Care Real Estate LLP<br>Golden Overseas Private Ltd.<br>M D Buildtech Private Ltd.<br>Agrihawk Technologies Private Ltd.<br>Star Living Infrastructure Advisors LLP<br>Dhanuka Chemicals Private Ltd.<br>H D Realtors Private Ltd.<br>Turbos Advisers LLP |

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

| Particulars | Ultimate Holding Company | | Associate | | Enterprises in which Key Management Personnel and their Relatives have significant influence | | Key Management Personnel and their Relatives | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Remuneration & Short term benefits* | - | - | | | - | - | 777.66 | 246.69 |
| Sale of goods | 1,620.80 | 817.62 | 17.09 | 5.05 | 33.33 | 107.50 | | |
| Purchase of goods | 2,583.96 | 2,172.80 | | | 17,012.94 | 13,406.93 | | |
| Purchase of Land and Buildings | - | 2,696.13 | | | - | 1,971.62 | | |
| Lease income | 174.42 | 147.15 | | | 118.76 | 100.19 | | |
| Rent deposit paid | | | | | - | 19.10 | | |
| Lease rent paid | | | | | 46.01 | | | |
| Expenses paid | 0.69 | 0.16 | | | 2.78 | | | |
| Share of Profit/ (Loss) of Associate | | | (289.78) | (215.35) | | | | |
| Sale of Undertaking | | | | (105.81) | | | | |
| Loans/Advances received | 1,500.00 | - | | | | | | |
| Loans/Advances received repaid | 1,500.00 | - | | | | | | |

*Post employment benefit comprising gratuity and compensated absences is not disclosed as these are determined for the Group as a whole.

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

₹ in lakhs

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

| Particulars | Ultimate Holding Company | | Associate | | Enterprises in which Key Management Personnel and their Relatives have significant influence | | Key Management Personnel and their Relatives | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Trade receivables | 409.66 | 39.22 | | | - | 75.62 | | |
| Trade payables | 632.84 | 428.39 | | | 6,213.56 | 3,481.99 | | |
| Rent deposit | | | | | 19.10 | 19.10 | | |
| Remuneration payable | | | | | | | 313.46 | 45.96 |
| Investment in Associate | | | 3692.60 | 3982.38 | | | | |
| 0% Optionally Convertible Debentures (including the equity component disclosed under "Other Equity") | 14300.00 | 14300.00 | | | | | | |

**d) Material related party transactions are as follows**

| Nature of transactions | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Remuneration & Short term benefits** | | |
| Manish Dhanuka | 355.10 | 118.11 |
| Mridul Dhanuka | 355.10 | 118.11 |
| Sunil Gupta | 54.83 | - |
| Kapil Dayya | 4.29 | - |
| Marina Peter | 8.34 | 7.30 |
| **Sale of goods** | | |
| Synmedic Laboratories | 33.33 | 107.50 |
| Dhanuka Laboratories Limited | 1,620.80 | 817.62 |
| Orbion Pharmaceuticals Private Limited | 17.09 | 5.05 |
| **Purchase of goods** | | |
| Dhanuka Laboratories Limited | 2,583.96 | 2,172.80 |
| Otsuka Chemical (India) Pvt Ltd | 16,990.24 | 13,406.93 |
| Synmedic Laboratories | 22.71 | - |
| **Purchase of Land and buildings** | | |
| Dhanuka Laboratories Limited | - | 2,696.13 |
| Synmedic Laboratories | - | 1,971.62 |
| **Rental deposit paid** | | |
| Dhanuka Agritech Limited | - | 19.10 |
| **Lease rentals for Land and buildings received** | | |
| Dhanuka Laboratories Limited | 174.42 | 147.15 |
| Synmedic Laboratories | 118.76 | 100.19 |
| **Sale of Undertaking** | | |
| Orbion Pharmaceuticals Private Limited | - | (105.81) |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| Nature of transactions | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Share of Profit/ (Loss) of Associate** | | |
| Orbion Pharmaceuticals Private Limited | (289.78) | (215.35) |
| **Loans and advances received** | | |
| Dhanuka Laboratories Limited | 1,500.00 | - |
| **Loans and advances received repaid** | | |
| Dhanuka Laboratories Limited | 1,500.00 | - |

**e) Material related party balances are follows**

| Name of the related party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| Dhanuka Laboratories Limited | 632.84 | 428.39 |
| Otsuka Chemical (India) Pvt Ltd | 6,212.93 | 3,481.99 |
| Synmedic Laboratories | 0.63 | - |
| **Trade receivables** | | |
| Dhanuka Laboratories Limited | 409.66 | 39.22 |
| Synmedic Laboratories | - | 75.62 |
| **Rental deposit paid** | | |
| Dhanuka Agritech Limited | 19.10 | 19.10 |
| **Investment in Associate** | | |
| Orbion Pharmaceuticals Private Limited | 3,692.60 | 3,982.38 |
| **Equity Share Capital** | | |
| Dhanuka Laboratories Limited | 3,542.00 | 3,672.00 |
| **0% Optionally Convertible Debentures** | | |
| (including the equity component disclosed under | | |
| Dhanuka Laboratories Limited | 14,300.00 | 14,300.00 |
| **Remuneration payable** | 313.46 | 45.96 |

**48 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, eligible employees of the Group are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.393.63 Lakhs (for the year ended March 31, 2023: Rs. 424.91 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount Rate | 7.19% | 7.27% |
| Rate of increase in compensation level | 7.00% | 7.00% |
| Expected return on plan assets | 7.27% | 7.04% |
| Mortality | Indian Assured Lives Mortality (2012-14) (Ultimate) | Indian Assured Lives Mortality (2012-14) (Ultimate) |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

| Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows: | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:** | | |
| Current service cost | 97.62 | 88.48 |
| Net interest expense | 111.91 | 97.47 |
| Return on plan assets (excluding amounts included in net interest | (85.12) | (18.48) |
| Components of defined benefit costs recognised in profit or loss | **124.41** | **167.47** |
| **Amount recognised in Other Comprehensive Income (OCI) for the Year** | | |
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gains)/losses recognised during the period | 45.06 | 23.28 |
| Components of defined benefit costs recognised in other | **45.06** | **23.28** |
| Components of defined benefit costs recognised in other comprehensive income | **169.47** | **190.75** |

i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.
ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

| The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows: | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Present value of defined benefit obligation | 1,757.10 | 1,588.19 |
| Fair value of plan assets | (1,477.00) | (277.46) |
| Net liability/ (asset) arising from defined benefit obligation | **280.10** | **1,310.73** |
| Funded | 280.10 | 1,310.73 |
| Unfunded | - | - |
| | **280.10** | **1,310.73** |

The above provisions are reflected under 'Provision for employee benefits - Gratuity' (Non current provisions) [Refer Note 23] and 'Provision for employee benefits - Gratuity' (Current provisions) [Refer Note 28].

| Movements in the present value of the defined benefit obligation in the current year were as follows: | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening defined benefit obligation | 1,588.19 | 1,440.26 |
| Current service cost | 97.62 | 88.48 |
| Interest cost | 111.91 | 97.47 |
| Actuarial (gains)/losses | 56.71 | 73.58 |
| Benefits paid | (97.33) | (111.60) |
| Closing defined benefit obligation | **1,757.10** | **1,588.19** |

₹ in lakhs

| Movements in the fair value of the plan assets in the current year were as follows: | | |
|---|---|---|
| Opening fair value of plan assets | 277.46 | 316.24 |
| Contributions paid | 1,200.10 | 4.04 |
| Return on plan assets | 85.12 | 18.48 |
| Benefits paid | (97.33) | (111.60) |
| Actuarial gains/(loss) | 11.65 | 50.30 |
| Closing fair value of plan assets | **1,477.00** | **277.46** |

**Sensitivity analysis**

In view of the fact that the Group for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet

**(b) Compensated absences**

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

| | |
|---|---|
| Interest rate risk | The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase |
| Salary inflation risk | Higher than expected increases in salary will increase the defined benefit obligation |
| Demographic risk | This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees. |

The above provisions are reflected under 'Provision for employee benefits - Compensated absences' (Non current provisions) [Refer Note 23] and 'Provision for employee benefits - Compensated absences' (Current provisions) [Refer Note 28]

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**49 Additional regulatory and other information as required by the Schedule III to the Companies Act 2013**

**(a) Ageing Schedule of Capital Work-in-Progress (CWIP) :**

**As at March 31, 2024**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 1,602.23 | 37.16 | - | - | 1,639.39 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **1,602.23** | **37.16** | **-** | **-** | **1,639.39** |

**As at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 3,667.92 | 242.87 | 1.57 | 733.98 | 4,646.34 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **3,667.92** | **242.87** | **1.57** | **733.98** | **4,646.34** |

**(b) Ageing Schedule of Intangible assets under development :**

**As at March 31, 2024**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | 1,427.77 | - | - | - | 1,427.77 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **1,427.77** | **-** | **-** | **-** | **1,427.77** |

**As at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in Progress | - | - | - | - | - |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** |

**(c) Completion Schedule for Capital Work-in-Progress whose completion is overdue**

**As at March 31, 2024**

| Particulars | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Nil | - | - | - | - | - |
| | **-** | **-** | | | **-** |

## Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**As at March 31, 2023**

| Particulars | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Nil | - | - | - | - | - |
| | - | - | | | - |

**(d) Ageing Schedule of Trade Receivables**

**As at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 14,690.17 | 4,226.12 | 20.75 | - | - | - | 18,937.04 |
| Which have significant increase in credit risk and considered doubtful | | | | | | | |
| Credit impaired | - | - | - | - | - | 4,705.97 | 4,705.97 |
| **Disputed Trade Receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk and considered doubtful | | | | | | - | - |
| Credit impaired | - | - | - | - | - | 259.61 | 259.61 |
| | **14,690.17** | **4,226.12** | **20.75** | **-** | **-** | **4,965.58** | **23,902.62** |
| **Less: Expected Credit Loss Allowance** | | | | | | | **(4,347.91)** |
| | | | | | | | **19,554.71** |

**As at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 15,810.32 | 5,380.41 | - | - | - | - | 21,190.73 |
| Which have significant increase in credit risk and considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Credit impaired | - | - | - | - | 348.00 | 4,095.46 | 4,443.46 |
| **Disputed Trade Receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk and considered doubtful | | | | | | - | - |
| Credit impaired | - | - | - | - | - | 259.61 | 259.61 |
| | | | | | | | **25,893.80** |
| **Less: Expected Credit Loss Allowance** | | | | | | | **(4,374.42)** |
| | | | | | | | **21,519.38** |

# Notes to the financial statements as at and for the period ended March 31, 2024

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

₹ in lakhs

**(e) Ageing Schedule of Trade Payables**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **As at March 31, 2024** | | | | | | |
| (i). MSME | 770.55 | 91.58 | 3.97 | 0.03 | 0.40 | 866.53 |
| (ii) Others | 6,310.36 | 8,650.21 | 292.99 | 140.93 | 5,187.39 | 20,581.88 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | |
| (iv). Disputed Dues - Others | - | - | - | - | - | |
| (v). Unbilled Dues | 1,509.28 | - | - | - | - | 1,509.28 |
| | **8,590.19** | **8,741.79** | **296.96** | **140.96** | **5,187.79** | **22,957.69** |
| **As at March 31, 2023** | | | | | | |
| (i). MSME | 96.91 | 41.94 | 1.30 | 1.14 | 17.15 | 158.44 |
| (ii) Others | 8,660.25 | 2,167.71 | 134.23 | 126.43 | 5,089.00 | 16,177.62 |
| (iii). Disputed Dues - MSME | - | - | - | - | - | - |
| (iv). Disputed Dues - Others | - | - | - | - | - | - |
| (v). Unbilled Dues | 1,035.91 | 58.70 | 6.14 | - | - | 1,100.75 |
| | **9,793.07** | **2,268.35** | **141.67** | **127.57** **-** | **5,106.15** | **17,436.81** |

**(f) 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 Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

**(g) Borrowings from banks**

The Group is not declared as wilful defaulter by any bank or financial Institution or other lenders.

**(h) Relationship with Struck off Companies**

The Group 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 Group.

**(I) Compliance with number of layers of companies**

The Group 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.

**(j) 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.

**(k) Advance or loan or investment to intermediaries and receipt of funds from intermediaries**

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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 the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(l) Undisclosed Income**

The Group 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.

**(m) Details of Crypto Currency or Virtual Currency**

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

# Notes to the financial statements as at and for the period ended March 31, 2024

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

**50A Disclosure of interests in subsidiary companies consolidated as per Ind AS 110 'Consolidated Financial Statements"**

| Name of enterprise * | Country of Incorporation | Proportion of ownership interest |
|---|---|---|
| Orchid Europe Limited, UK (Upto 27.09.2022) | UK | 100.00% |
| Orchid Pharmaceuticals Inc., USA | USA | 100.00% |
| Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.) | USA | 100.00% |
| Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA) | USA | 100.00% |
| Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa (upto 31.01.2024) | South Africa | 100.00% |
| Bexel Pharmaceuticals Inc., USA | USA | 100.00% |
| Diakron Pharmaceuticals Inc., USA ** | USA | 76.65% |
| Orchid Bio-Pharma Limited , India | India | 100.00% |

* All the above companies, except Orchid Bio-Pharma Limited, are not in operation and the investments are fully provided by the holding company

** Since the company is not operational and fully provided for, no non-controlling interest has been considered

**50B Disclosure of interests in associate company consolidated under equity method as per Ind AS 28 "Investments in Associates and Joint ventures .**

| Name of enterprise * | Place of Business/ Country of Incorporation | Proportion of ownership interest | Share in Total Comprehensive Income under equity method |
|---|---|---|---|
| Orbion Pharmaceuticals Private Limited | India | 26.00% | (289.78) |

**50C Additional Information, as required under Schedule III to the Companies Act, 2013**

| | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated Net Assets | Amount | As % of consolidated Profit / (Loss) | Amount | As % of consolidated Other Comprehensive Income | Amount | As % of consolidated Total Comprehensive Income | Amount |
| Orchid Pharmaceuticals Inc., USA and its subsidiaries | -4.35% | (5,083.88) | 0.00% | - | - | - | 0.00% | - |
| Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa | - | - | - | - | - | - | - | - |
| Bexel Pharmaceuticals Inc., USA | -0.13% | (148.30) | 0.00% | - | - | - | 0.00% | - |
| Diakron Pharmaceuticals Inc., USA | -2.74% | (3,203.68) | 0.00% | - | - | - | 0.00% | - |
| Orchid Bio-Pharma Limited , India | 1.28% | 1,494.81 | 0.34% | 31.46 | - | - | 0.34% | 31.46 |

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **51 Disclosure of Leases** | | |
| **(i) Changes in the carrying value of right-of-use assets.** | | |
| | **Category of Right-of-use asset** | |
| **Particulars** | **Building** | **Building** |
| **Balance as at 1st April, 2022** | - | - |
| Additions during the year | - | - |
| Termination during the year | - | - |
| Depreciation | - | - |
| **Balance as at 31st March, 2023** | - | - |
| Additions during the year | 100.36 | - |
| Termination during the year | - | - |
| Depreciation | (33.45) | - |
| **Balance as at 31st March, 2024** | **66.91** | - |
| The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 35) | | |
| **(ii) Movement in Lease Liabilities** | | |
| **Particulars** | | |
| **Opening Balance** | - | - |
| Additions during the year | 100.36 | - |
| Finance cost accrued during the year | 11.04 | - |
| Termination during the year | - | - |
| Payment of lease liabilities | (41.07) | - |
| **Closing Balance** | **70.33** | - |
| (iii) Break-up of current and non-current lease liabilities. | | |
| **Particulars** | | |
| Non-current lease liabilities | 37.00 | - |
| Current lease liabilities | 33.33 | - |
| **Total** | **70.33** | - |
| (iv) Contractual maturities of lease liabilities on undiscounted basis. | | |
| **Particulars** | | |
| Not later than one year | 41.07 | - |
| Later than one year but not later than five years | 41.07 | - |
| Later than five years | | |
| **Total** | **82.14** | - |

**52 Audit trail :**

The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. The Company has an established process of regularly identifying shortcomings, if any, and updating technological advancements and features including audit trail. The shortcomings identified during the course of audit are being reviewed and corrective action is being taken wherever required.

# Notes to the financial statements as at and for the period ended March 31, 2024

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

**53 Discontinuing operations**

During the previous year, the Company has completed the sale of Orchid Towers which is previously classified as disposal group as per Ind AS 105. Accordingly the gain of Rs. 3921.04 lacs has been disclosed in exceptional items in profit and loss account.

During the year 2021-22 the Group had completed the sale of IKKT Division which was previously classified as disposal group as per Ind AS 105 "Non Current Assets held for sale and Discontinued operations". Further, during the previous year the related working capital adjustment as per the Sale Agreement was finailised and the resultant net outflow amounting to Rs.105.81 lakhs has been disclosed under discontinuing operations .

| **(i) The carrying value of the total assets and liabilities of discontinued operations** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| **Liabilities** | | |
| Non Current liabilities | - | - |
| Financial Liabilities | - | - |
| Other Current Liabilities | - | - |
| **Total liabilities** | **-** | **-** |
| **Assets** | | |
| Property, Plant and Equipment (PPE) | - | - |
| Intangible Assets | - | - |
| Capital Work in Progress | - | - |
| Intangible under development | - | - |
| Non Current Financial Assets | - | - |
| Current Financial Assets | - | - |
| Other current assets | - | - |
| **Total Assets** | **-** | **-** |
| **Net Assets/ (Liabilities)** | **-** | **-** |
| **(ii) The revenue and expenses in respect of ordinary activities attributable to discontinuing operations** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
| **Revenue** | | |
| Revenue from operations | - | - |
| Other Income | - | - |
| Other Income ( Exceptional income) | - | (105.81) |
| **Total revenue (a)** | - | (105.81) |
| **Expenses** | | |
| Cost of materials consumed | - | - |
| Changes in inventories of work-in-progress, stock in trade and finished goods | - | - |
| Employee benefits expense | - | - |
| Depreciation and amortization expense | - | - |
| Other expenses | - | 571.70 |
| **Total expenses (b)** | - | 571.70 |
| **profit/ (Loss) before exceptional item and tax (a-b) = (c)** | **-** | **(677.51)** |
| **Less : Exceptional item** | - | - |
| **Profit/ (Loss) before tax** | **-** | **(677.51)** |
| **Tax expenses** | | |
| **Profit/ (Loss) from discontinuing operations** | **-** | **(677.51)** |

As required by Ind AS 105, the Group re-presented the disclosures for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

**Notes to the Consolidated financial statements as at and for the year ended March 31, 2024(All amounts are INR lakhs, except share data and unless otherwise stated)**

**54** During the year the Holding Company allotted Equity shares of 99,02,705 fully paid up of face value Rs. 10/- each on 27th June 2023 by way of Qualified Institutional Placement (QIP) whereby proceeds of Rs.39180 Lakhs (Net of Share issue expenses of Rs.805.79 lakhs ) was raised. Further, post receipt of Listing Approval and Trading approval dated June 30, 2023, the newly issued shares were available for trading on Stock Exchanges w.e.f. July 03, 2023. As on March 31, 2024. the entire net Proceeds of Rs.39180 Lakhs was received by the Holding Company under the QIP and the Statement of Net funds raised as per Offer document and its utilisation is furnished below :

| Particulars | Amount as stated in the Offer Document (Rs. in Lakhs) | Total amount utilised upto March 31, 2024 (Rs. In Lakhs) | Balance amount as on March 31, 2024 kept in Fixed deposits (Rs. In lakhs) | Remarks |
|---|---|---|---|---|
| 1) Investment in OBPL (subsidiary) for setting up Jammu Manufacturing Facility | 9000 | 412 | 8588 | |
| 2) Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company | 14100 | 14100 | - | |
| 3) Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu | 9982 | - | 9982 | |
| 4) General corporate purposes | 6098 | 512 | 5860 # | |
| **Total** | **39180** | **15024** | **24430** | |

# As per the QIP offer document the amount allocated for General Corporate Purpose (GCP) was Rs. 6098 Lakhs which was based on the proposed net proceeds after issue expenses being Rs. 39180 Lakhs. However, net proceeds transferred to Monitoring Account was Rs. 39454 Lakhs as against the proposed Net Proceeds of Rs. 39180 Lakhs, therefore the surplus amount ofRs. 274 Lakhs has been included in the GCP Balance as on 31st March, 2024

**55** During the previous year the Holding Company completed the sale of land and buildings at Orchid Towers, Chennai which was classifed in earlier years as "Non Current asset held for sale". The resultant profit on sale of the assets amounting to Rs. 3921.04 Lakhs is treated as an exceptional item in the Statement of profit and loss.

**56** Previous year figures have been regrouped or rearranged wherever considered necessary.

**57** The financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 23, 2024.

As per our report of even date attached

**For Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Sd/-
**Sudesh Choraria**
Partner
Membership No. 204936

Place : Mumbai
Date: May 23, 2024

**For and on behalf of the board**

Sd/-
**Manish Dhanuka**
Managing Director
DIN: 00238798

Sd/-
**Mridul Dhanuka**
Wholetime director
DIN: 00199441

Sd/-
**Sunil Gupta**
Chief Financial Officer

Sd/-
**Kapil Dayya**
Company Secretary

Place : Gurgaon
Date: May 23, 2024

# ORCHID PHARMA LIMITED

Regd. Office: Plot No. 121-128, 128A-133, 138-151, 159-164, SIDCO Industrial Estate, Alathur,
Chengalpattu, Alathur Industrial Estate, Kanchipuram,
Tamil Nadu, India. Tel: +91-44-27444471 / 72/73
Email: corporate@orchidpharma.com, cs@orchidpharma.com
Website: www.orchidpharma.com

## NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the **31st Annual General Meeting** ("**AGM**") of the Members of Orchid Pharma Limited ("**Company**") will be held on **Wednesday, August 21, 2024 at 11:30 A.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESS:**

**1. To receive, consider and adopt:**

a) The Audited Standalone Financial Statements of the Company for the Financial year ended March 31, 2024 inter-alia, including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon;

b) The Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2024 inter-alia, including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon;

**2. To appoint Mr. Ram Gopal Agarwal (DIN: 00627386) Non-Executive, Non- Independent Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.**

**SPECIAL BUSINESS:**

**3. Appointment of Ms. Shubha Singh (DIN: 06926872) as the Independent Director of the Company**.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149,150, 152, 160 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17, 25 and other relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, Ms. Shubha Singh (DIN: 06926872) who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors, based on the recommendations of Nomination and Remuneration Committee with effect from May 23, 2024 and who holds the said office as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and in respect of whom a notice from a Member of the Company has been received u/s 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) Years upto May 22, 2029 (day inclusive) ("First Term").

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and hereby authorized to do all such filings, acts, deeds and things and execute all such documents as may be necessary and expedient to give effect to this resolution.**"**

**4. Ratification of Remuneration to the Cost Auditor for the Financial Year 2024-25**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Mr. J Karthikeyan, Cost Accountant (Membership No. 29934, Firm Registration Number M-102695) appointed as the Cost Auditor to conduct the Audit of Cost Records of the Company by the Board of Directors based on the recommendation of the Audit Committee, for the Financial Year ending March 31, 2025, at a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs and Fifty Thousand Only) excluding applicable taxes and out of pocket expenses, if any, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and execute all such documents as may be necessary and expedient to give effect to this resolution.**"**

5. **Approval for continuation of Directorship of Mr. Ram Gopal Agarwal (DIN: 00627386) as Non- Executive, Non-Independent Director cum Chairman of the Board beyond the age of Seventy- Five years**

To consider and if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rule(s)/ Regulation(s) made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Ram Gopal Agarwal (DIN: 00627386) as Non-Executive Non-Independent Director cum Chairman of the Board from the day he attains the age of 75 years i.e., from July 30, 2024, on the same terms and conditions as approved at the time of Initial Appointment approved by the Members vide Resolution dated December 30, 2020 i.e. appointed as Non-Executive Director of the Company liable to retire by rotation with nil remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and execute all such documents as may be necessary and expedient to give effect to this resolution.**"**

6. **Approval for the Re- appointment of Mr. Manish Dhanuka (DIN: 00238798) as Managing Director of the Company and payment of remuneration to him**

To consider and if thought fit, to the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 152, 196, 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule V of the Companies Act, 2013, to the extent applicable, if any and Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with the Articles of Associations of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, if any and based on the recommendation of the Nomination and Remuneration Committee and consent of Board of Directors, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Manish Dhanuka (DIN: 00238798) as the Managing Director of the Company for a further period of 5 (five) years i.e. from February 28, 2025 to February 27, 2030 (both days inclusive), whose office shall not be liable to determination for retirement of Directors by Rotation, at such remuneration and on such terms and conditions as set out below with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment within the above mentioned scale of remuneration .

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013 (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued / framed thereunder read with the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and consent of Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to pay remuneration to Mr. Manish Dhanuka, Managing Director of the Company, during his period of aforesaid re-appointment on such terms and conditions as approved by the Board of Directors from time to time, notwithstanding (i) the annual remuneration payable to him exceeds Rs. 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration payable to all executive directors of the Company exceeds 5% of the net profits of the Company.**"**

**Terms and Conditions of Appointment**

1. **Period of Appointment:** Re-appointed as Managing Director for a period beginning from February 28, 2025 to February 27, 2030**.**

**2. Details of Remuneration:-**

**A. Salary:** Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) per month with an increment by 10% of fixed salary every year.

**B. Commission:** Commission at 2% of Cash profit of the Company for each financial year.

**C. Perquisites and Allowances:** In addition to the Salary, Mr. Manish Dhanuka shall be entitled to the following perquisites and allowances.

**I.** Furnished accommodation or House Rent Allowance (HRA) in lieu thereof and house maintenance allowance (Gas, Electricity, Water, Repairs, Security, etc.) thereof.

**II.** One Company maintained Car with reimbursement of Driver's salary.

**III.** Reimbursement of Medical Expenses/ Medical Insurance Premium incurred for self and his family.

**IV.** Leave Travel Concession - For self and his family once in a year incurred in accordance with the Rules of the Company.

**V.** Personal Accident Insurance premium.

**VI.** Ex-gratia, Bonus & Incentive - In accordance with the Rules and discretion of the Trustees of the Fund/Board of Directors.

**VII.** Any other perquisite or allowance as may be agreed to by the

Board of Directors and the Managing Director.
The Salary, Commission, Perquisites & Allowances all put together as mentioned in A, B and C above is subject to the overall limits prescribed under the provisions of Companies Act, 2013.

**D. Other Benefits:-**

Apart from "A", "B" and "C" above, Mr. Manish Dhanuka, Managing Director would be entitled for the following benefits as per the rules and regulations of the company, which would not be considered for computing the overall limits under the provisions of Companies Act, 2013.
**I.** Company's contribution to Provident Fund, Super- annuation Fund or Annuity Fund as per the Rules and Regulations of the Company.
**II.** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
**III.** Reimbursement of Medical Expenses/Medical Insurance Premium incurred for self and his Family.

Note I. For the purpose of calculating the overall limits under the provisions of Companies Act, 2013, perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable. In the absence of such rules, perquisites shall be evaluated at actual cost.
Note II. For the purposes of perquisites, "family" means spouse, dependent children and dependent parents of Mr. Manish Dhanuka.

**RESOLVED FURTHER THAT** subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Mr. Manish Dhanuka shall be responsible for the overall management of the affairs of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company and all other terms and conditions of his re-appointment remains the same in accordance with his original appointment dated March 31, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such act, deeds and things to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution.**"**

**7. Approval for the Re-appointment of Mr. Mridul Dhanuka (DIN: 00199441) as Whole-time Director of the Company and payment of remuneration to him**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 152, 196, 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule V of the Companies Act, 2013, to the extent applicable, if any and Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with the Articles of Associations of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, if any and based on the recommendation of the Nomination and Remuneration Committee and consent of Board of Directors, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Mridul Dhanuka (DIN: 00199441) as the Whole Time Director of the Company for a further period of 5 (five) years i.e. from February 28, 2025 to February 27, 2030 (both days inclusive), whose office shall be liable to determination for retirement of Directors by Rotation, at such remuneration and on such terms and conditions as set out below with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment within the above mentioned scale of remuneration.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013 (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued / framed thereunder read with the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and consent of Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to pay remuneration to Mr. Mridul Dhanuka, Whole Time Director of the Company, during his period of aforesaid re-appointment on such terms and conditions as approved by the Board of Directors from time to time, notwithstanding (i) the annual remuneration payable to him exceeds Rs. 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration payable to all executive directors of the Company exceeds 5% of the net profits of the Company.**"**

**Terms and Conditions of Appointment**

1. **Period of Appointment:** Re-appointed as Whole Time Director for a period beginning from February 28, 2025 to February 27, 2030**.**
2. **Details of Remuneration:-**

**A. Salary:** Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) per month with an increment by 10% of fixed salary every year.
**B. Commission:** Commission at 2% of Cash profit of the Company for each financial year.
**C. Perquisites and Allowances:** In addition to the Salary, Mr. Mridul Dhanuka shall be entitled to the following perquisites and allowances.

I. Furnished accommodation or House Rent Allowance (HRA) in lieu thereof and house maintenance allowance (Gas, Electricity, Water, Repairs, Security, etc.) thereof.
II. One Company maintained Car with reimbursement of Driver's salary.
III. Reimbursement of Medical Expenses/ Medical Insurance Premium incurred for self and his family.
IV. Leave Travel Concession - For self and his family once in a year incurred in accordance with the Rules of the Company.
V. Personal Accident Insurance premium.
VI. Ex-gratia, Bonus & Incentive - In accordance with the Rules and discretion of the Trustees of the Fund/Board of Directors.
VII. Any other perquisite or allowance as may be agreed to by the Board of Directors and the Whole Time Director.

The Salary, Commission, Perquisites & Allowances all put together as mentioned in A, B and C above is subject to the overall limits prescribed under the provisions of Companies Act, 2013.

**D. Other Benefits:-**

Apart from "A", "B" and "C" above, Mr. Mridul Dhanuka, Whole Time Director would be entitled for the following benefits as per the rules and regulations of the company, which would not be considered for computing the overall limits under the provisions of Companies Act, 2013.

I. Company's contribution to Provident Fund, Super- annuation Fund or Annuity Fund as per the Rules and Regulations of the Company.
II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
III. Reimbursement of Medical Expenses/Medical Insurance Premium incurred for self and his Family.

Note I. For the purpose of calculating the overall limits under the provisions of Companies Act, 2013, perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable. In the absence of such rules, perquisites shall be evaluated at actual cost.
Note II. For the purposes of perquisites, "family" means spouse, dependent children and dependent parents of Mr. Mridul Dhanuka.

**RESOLVED FURTHER THAT** subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Mr. Mridul Dhanuka shall be responsible for the overall management of the affairs of the Company as Whole Time Director and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company and all other terms and conditions of his re- appointment remains the same in accordance with his original appointment dated March 31, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such act, deeds and things to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution."

**8. Approval for Material Related Party Transactions with M/s. Otsuka Chemicals (India) Private Limited**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 ("Act") read with the applicable Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") as amended from time to time, the Company's policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions", all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the recommendation and approval of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors ('the Board', which term shall include any Committee) of the Company to enter into Material related party transactions in the nature of Purchase of raw materials from M/s. Otsuka Chemicals (India) Private Limited being 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations based on the expected value of the transactions upto Rs. 250,00,00,000 (Rupees Two Hundred Fifty Crores Only) for the Financial year 2024-25, which is expected to exceed 10% of the Annual Consolidated Turnover as per the last audited Financial Statements of the Company, provided that the said transactions to be entered into / carried out are in the Ordinary course of business and are on arm's length basis on such terms and conditions as may be considered appropriate by the Board of Directors and as may be agreed between the Company and M/s. Otsuka Chemicals (India) Private Limited more particularly enumerated in the Explanatory statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected there with or incidental thereto".

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**
**Sd/-**
Date: July 19, 2024 **Kapil Dayya**
Place: Gurugram **Company Secretary and Compliance Officer**

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to Ministry of Corporate Affairs' General Circulars No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated 5th May, 2020, 10/2022 dated December 28, 2022 and 10/2023 dated September 25, 2023 (collectively referred to as **"MCA Circulars"**) and any updates thereto issued by the Ministry of Corporate Affairs **("MCA")** read with Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated October 07, 2023 issued by the Securities and Exchange Board of India **("SEBI")** (hereinafter collectively referred to as **"the Circulars"**), companies are permitted to conduct the Annual General Meeting through Video Conferencing / Other Audio Visual Means (**"VC"** / **"OAVM"**) without the physical presence of members at a common venue. Hence, in accordance with the Circulars, provisions of the Companies Act, 2013 (**"the Act"**), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations"),** the **Annual General Meeting ("AGM")** of the members of the Company, for the financial year ended on March 31, 2024, is being held through VC /OAVM facility on Wednesday, August 21, 2024 at 11:30 A.M. (IST). Hence, the Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website http://www.orchidpharma.com/

2. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Pursuant to Section 112 and 113 of the Companies Act, 2013, Representatives of Members such as the President of India or Governor of a State or a Body Corporates can attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members intending to attend/vote at AGM through VC/ OAVM by their respective authorized representative(s) pursuant to section 113 of the Companies Act, 2013 are requested to send their Certified True Copy of the resolutions/ Power of Attorney to the Scrutinizer by e-mail to info@pmkadvisors.com with a copy marked to Registrar and Share Transfer Agent (RTA) at rta@abhipra.com and to the Company at cs@orchidpharma.com authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards- 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts in respect of the Item Nos. 3 to 8 of the Notice to be transacted at the Annual General Meeting is annexed and forms part of this Notice.

5. Further, the relevant details with respect to Item No.2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking reappointment at this AGM under retirement by rotation are also annexed.

6. The Company has appointed National Securities Depository Limited ("NSDL") to provide facility for voting through remote e-Voting or through e-voting at the AGM, for participation in the 31st AGM through VC/OAVM Facility. The procedure for participating in the meeting through VC/ OAVM is explained in these notes and is also available on the website of the Company at http://www.orchidpharma.com/

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

   **For shares held in electronic form:** to their Depository Participants (DPs) in the prescribed Form in Annexure- A pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024.

   **For shares held in physical form:** to the Company's Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular Nos. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.

   Members are requested to address all correspondence to the Company's Registrar and Share Transfer Agent (RTA) viz., M/s. Abhipra Capital Limited, Abhipra Complex, A-387, Dilkhush Industrial Area, GT Karnal Road, Azadpur, New Delhi, 110033, India, electronic communication at rta@abhipra.com or to the Company at cs@orchidpharma.com

8. The copy of Register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 21, 2024.

9. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and the Rules made thereunder, with the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares, Members can contact the Depository Participants (DPs) for assistance in this regard.

10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the 31st AGM along with the Annual Report for the Financial Year 2023-24 is being sent through electronic mode to all the Members who have registered their e-mail ID's with the Company/Depository Participants for communication purposes.

12. In line with the MCA circulars, the Notice convening 31st AGM and explanatory statement ('the Notice') and the Annual Report of the Company for the Financial Year 2023-24 is available on the Company's website on http://www.orchidpharma.com/invr_Annualreports.html. The Notice and Annual Report of the Company is also hosted on the website of stock exchanges where the shares of the Company are listed i.e. BSE Limited https://www.bseindia.com/and National Stock Exchange of India Limited https://www.nseindia.com/and also on the website of National Securities Depository Limited ("NSDL") (agency for providing the VC/ OAVM facility/Remote e-Voting and e-voting system during the AGM) i.e., https://www.evoting.nsdl.com/. For any communication, the shareholders may also send request to the following mail id: cs@orchidpharma.com

13. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. Facility of joining the AGM through VC/ OAVM shall be open at least Fifteen (15) minutes before the time scheduled to start the AGM and will be kept open till the expiry of Fifteen (15) minutes after such scheduled time of commencement of meeting as stated in the Notice herein.

15. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis ("**FIFO**"). The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. are allowed to attend the Meeting without restriction on account of FIFO principle.

16. **Remote e-voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings **("SS-2")** issued by the ICSI and Regulation 44 of the Listing Regulations, as amended read with circular of SEBI on e-voting facility provided by Listed entities and the MCA Circulars, the Company is providing facility to its Members to exercise their right to vote on the resolutions proposed to be passed at the AGM through remote e-voting facility.

17. **Voting at the AGM:** Members who could not vote through remote e-voting may avail the e-voting facility which will be made available at the Meeting **("e-voting")**, facility to be provided by NSDL.

18. The Members are requested to note that the Company has arranged Video Conferencing Facility (VC) for the proceedings of the AGM through Webex platform. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of NSDL. The link/tab will be available in Member login where the EVEN of the Company will be displayed.

19. The Board of Directors of the Company at their Meeting held on July 17, 2024 had appointed Mr. Muthukumaran (Membership No. F11218 & Certificate of Practice No. 20333), Partner, M/s P Muthukumaran & Associates, Company Secretaries [UCN: P2024TN099300], as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through e-voting system during the AGM in a fair and transparent manner.

20. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e- voting and submit not later than 2 working days from conclusion of the Meeting, a Scrutinizer's Report of the total votes cast in favor or against, to the Chairman or in his absence any other Director or Key Managerial Personnel as authorized by the Chairman of the AGM, who shall countersign the same.

21. The results of voting along with Scrutinizer's Report will be declared within 2 working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be communicated to stock exchanges, where the Company's shares are listed within the prescribed timelines and will also be uploaded on the Company's website http://www.orchidpharma.com/ and on

https://www.evoting.nsdl.com/ Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.

22. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the amounts, which remain unpaid or unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund. As per the provisions of Section 124 (6) of the Companies Act, 2013 ("Act"), read with IEPF rules as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company in the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the Act.

23. Members seeking any additional information on the subject matter to be placed at the AGM, are requested to write to the Company on or before August 02, 2024 through email at cs@orchidpharma.com the same will be replied by the Company suitably through email.

24. The Company has designated an exclusive Email ID: cs@orchidpharma.com for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.

| CALENDER OF AGM | | |
|---|---|---|
| **Sr. No.** | **Particulars** | **Date** |
| 1. | Cut -off Date For Eligibility of Voting for the AGM | Wednesday , August 14, 202 4 |
| 2. | Remote E -Voting Period | From 9:00 A.M (IST) on Saturday, August 17, 2024 till 5:00 P.M. (IST) on Tuesday, August 20, 2024 |
| 3. | Date & Time of AGM | Wednesday , August 21, 2024 at 11:30 A.M. IST |

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

**The remote e-voting period begins on Saturday, August 17, 2024 at 09.00 A.M. (IST) and ends on Tuesday, August 20, 2024 at 05.00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, August 14, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the above cut-off date.**

**How do I vote electronically using NSDL e-Voting system?**
*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |

| Type of shareholders | Login Method |
|---|---|
| | 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [https://www.evoting.nsdl.com/](https://www.evoting.nsdl.com/) either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under **'Shareholder/Member'** section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with **CDSL** | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website [www.cdslindia.com](www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on [www.cdslindia.com](www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or eVoting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@pmkadvisors.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 – 4886 7000 or send a request to NSDL at evoting@nsdl.com

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice**:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at rta@abhipra.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA at rta@abhipra.com.

3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

4. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting i.e. from August 17, 2024 to August 20, 2024 and are otherwise not barred from doing so, shall be eligible to vote through

through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@orchidpharma.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the meeting mentioning their name, demat account number/ folio number, email id and mobile number at cs@orchidpharma.com. These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of questions and numbers of speakers, as appropriate, for smooth conduct of the AGM.

**Procedure for obtaining the AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

i. Members may send an e-mail request at the email id rta@abhipra.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of Share Certificate in case of physical folio for sending the Notice of AGM, Annual Report and the e-voting instructions.

ii. Shareholders may also visit the website of the company http://www.orchidpharma.com/or the website of the NSDL https://www.evoting.nsdl.com/downloading the Notice of the AGM and Annual Report.

iii. Those shareholders who have registered/not registered their mail address and mobile number including address and bank details may please contact and validate/update their details with the relevant Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent M/s. Abhipra Capital Limited ("**Abhipra**") in case the shares held in physical form.

iv. Shareholders who have not registered their mail address and in consequence the Notice of AGM and e-voting instructions could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, Abhipra, by sending email to rta@abhipra.com for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to rta@abhipra.com or cs@orchidpharma.com

**OTHER INSTRUCTIONS**

a. A person who is not a Member as on the Cut-off Date for e-voting should treat this Notice for information purposes only. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date i.e. Wednesday, August 14, 2024 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and e-voting thereat.

b. You can also update your mobile number and e-mail id in the user profile details to get e- voting confirmation and which may be used for further communications.

For and on behalf of the Board of Directors of
**Orchid Pharma Limited**
**Sd/-**
**Kapil Dayya**
**Company Secretary and Compliance Officer**

Date: July 19, 2024
Place: Gurugram

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, pursuant to Section

102 of the Companies Act, 2013, set out the material facts relating to the business mentioned in the accompanying Notice dated July 19, 2024.

**Item No. 3 – Appointment of Ms. Shubha Singh (DIN: 06926872) as the Independent Director of the Company.**

The Nomination and Remuneration Committee and the Board of Directors of the Company at their Meetings held on May 23, 2024 had approved the appointment of Ms. Shubha Singh as an Additional Director of the Company.

Pursuant to the provisions of Section 149, 152, 161 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17, Regulation 25 of SEBI (Listing Regulation and Disclosure Requirement) Regulations, 2015, the confirmation of Appointment of Ms. Shubha Singh as the Non- Executive and Independent Director is required to be taken from the members of the Company in the ensuing Annual General Meeting or within three months from the date of appointment as an Additional Director, whichever is earlier.

Accordingly, the consent of the members is sought for passing a special resolution approving the appointment of Ms. Shubha Singh as a Non- Executive and Independent Director of the Company, whose willingness for such appointment has been received along with the required declaration/ certificates under Companies Act and SEBI Listing Regulations.

In the opinion of the Board, she fulfils the conditions specified in the Companies Act and the rules made thereunder read with the SEBI Listing Regulations for such an appointment and she is independent of the management.

The terms and conditions of appointment of independent directors has been posted on the website of the Company and are open for inspection as stated in the notes to the Notice of AGM.

Additionally, in accordance with Regulation 36(3) of SEBI Listing Regulations, particulars of **Ms. Shubha Singh (DIN: 06926872)** including her profile and specific areas of expertise are given below as **"Annexure 1"**.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Ms. Shubha Singh are in any way interested or concerned with this Resolution.

The Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 3 to the members of the Company.

**Item No. 4 – Ratification of Remuneration to the Cost Auditor for the Financial Year 2024-25**

The Audit Committee and the Board of Directors of the Company at their Meetings held on May 23, 2024 have approved the appointment of Shri J Karthikeyan, Cost Accountant [Membership No. 29934, Registration Number - 102695], Chennai, as the Cost Auditors of the Company to conduct the audit of the Cost records of the Company with regard to Pharmaceuticals Segment (Bulk Drugs & Formulations) for the Financial Year 2024-25.

In accordance with the Provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.4 of the Notice to ratify the remuneration of Rs. 2,50,000/- (Rupees Two Lakhs and fifty thousand Only) plus applicable taxes and reimbursement of out of pocket expenses to Shri J Karthikeyan, Cost Auditor towards audit of the Cost records of the Company for the Financial Year 2024-25 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company at the meeting held on May 23, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

The Board of Directors of the Company recommends passing of the Ordinary Resolution set out in Item No. 4 to the members of the Company.

**Item No. 5 -Approval for continuation of Directorship of Mr. Ram Gopal Agarwal (DIN: 00627386) as Non- Executive, Non-Independent Director cum Chairman of the Board beyond the age of Seventy- Five years**

Mr. Ram Gopal Agarwal (DIN: 00627386) was appointed as an Additional Director, Non-Executive Non- Independent Director of the Company, with effect from March 31, 2020, in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Article of Association of the Company. He was appointed as Chairman of the Board of Directors with effect from June 29, 2020. Further, his office as an Additional Director was regularised as Non-Executive Director, liable to retire by rotation, in the Annual General Meeting held on December 30, 2020 in accordance with Section 152 and other applicable provisions of the Companies Act 2013, as amended.

In terms of the Regulation 17(1A) of SEBI Listing Regulations, inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from April 01, 2019, no listed Company shall appoint or continue the directorship of any person as Non-Executive Director, who has attained the age of seventy five years, unless a special resolution is passed to that effect.

Mr. Ram Gopal Agarwal will attain the age of 75 years on July 30, 2024 and therefore the approval of the Members will be required for continuation of his directorship in the Company.

Mr. Ram Gopal Agarwal is Founder Chairman of Dhanuka Group. He has 56 years of rich and wide experience in the Industry. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Mineral Pvt. Ltd. in 1980 and transformed it today to Rs. 1700 Crore organization. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. He was the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all Indian Agrochemical majors. He has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit and Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI, National Safety Award – 3 times; Forbes Award – 200 Best under A Billion Companies in Asia Pacific etc.

The Board of Directors considering his vast experience, knowledge, expertise, performance, coveted mentorship role and unparalleled profile hereinbefore stated, at their meeting held on July 17, 2024 have approved the continuation of directorship of Mr. Ram Gopal Agarwal (DIN: 00627386) as Non-Executive Non- Independent Director cum Chairman of the Board from the day he attains the age of 75 years i.e., July 30, 2024 on the same terms and conditions as approved at the time of Initial Appointment that was approved by the Members of the Company vide Resolution dated December 30, 2020 i.e. appointment as Non-Executive Director liable to retire by rotation with nil remuneration.

Additionally, in accordance with Regulation 36(3) of SEBI Listing Regulations, particulars of Mr. Ram Gopal Agarwal including his profile and specific areas of expertise are included as **"Annexure 2"**.

None of the Directors/ Key Managerial Personnel and their relatives, except Mr. Ram Gopal Agarwal and his relatives, to the extent of their shareholding interest, if any, in the Company, are in any way, interested or concerned, financially or otherwise in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 5 to the members of the Company.

**Item No. 6- Approval for the Re- appointment of Mr. Manish Dhanuka (DIN: 00238798) as Managing Director of the Company and payment of remuneration to him**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on July 17, 2024 approved the re-appointment of Mr. Manish Dhanuka as the Managing Director of the Company for the period commencing from February 28, 2025 to February 27, 2030 whose office shall not be liable to determination for retirement of directors by rotation on such terms and conditions and remuneration as were set out in the resolution.

Pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting if:

i) The annual remuneration payable to such executive director exceeds Rs. 5 crores or 2.5 % of the net profits of the Company (calculated as per the provisions of Section 198 of the Companies Act, 2013) whichever is higher; or

ii) Where there is more than 1 such director, the aggregate annual remuneration to such director exceeds 5 % of the net profits of the Company (calculated as per section 198 of the Companies Act, 2013).

The annual remuneration payable to Mr. Manish Dhanuka is expected to be within the prescribed limits of Section 197 of Companies Act, 2013. However, the annual remuneration payable to Mr. Manish Dhanuka is expected to exceed the limits mentioned under regulation 17(6)(e)) of SEBI Listing Regulations, 2015 either singly or collectively with Mr. Mridul Dhanuka (Whole Time Director) and accordingly, approval of shareholders is being sought by way of Special Resolution.

Therefore, the Board of Directors at its meeting held on July 17, 2024 considered and recommends the proposal to obtain Special Resolution from the members of the Company on the matter. Further, terms and conditions of his re- appointment other than as set out in Notice shall remain same as of the Resolution passed by the shareholders at General Meeting held on December 30, 2020. The Members wishes to seek the above stated resolution may write to the Company at cs@orchidpharma.com.

Additionally, in accordance with Regulation 36(3) of SEBI Listing Regulations, particulars of Mr. Manish Dhanuka including his profile and specific areas of expertise are given below as **"Annexure 3"**.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Manish Dhanuka, are in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 6 to the members of the Company.

**Item No. 7: Approval for the Re- appointment of Mr. Mridul Dhanuka (DIN: 00199441) as Whole-time Director of the Company and payment of remuneration to him**

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company at their meeting held on July 17, 2024 approved the appointment of Mr. Mridul Dhanuka as the Whole-Time Director of the Company, for the period commencing from February 28, 2025 to February 27, 2030 whose office shall be liable to determination for retirement of directors by rotation on such terms and conditions and remuneration as were set out in the resolution.

Pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting if:

i) The annual remuneration payable to such executive director exceeds Rs. 5 crores or 2.5 % of the net profits of the Company (calculated as per the provisions of Section 198 of the Companies Act, 2013) whichever is higher; or

ii) Where there is more than 1 such director, the aggregate annual remuneration to such director exceeds 5 % of the net profits of the Company (calculated as per section 198 of the Companies Act, 2013).

The annual remuneration payable to Mr. Mridul Dhanuka is expected to be within the prescribed limits of Section 197 of Companies Act, 2013. However, the annual remuneration payable to Mr. Mridul Dhanuka is expected to exceed the limits mentioned under regulation 17(6)(e)) of SEBI Listing Regulations, 2015, either singly or collectively with Mr. Manish Dhanuka (Managing Director) and accordingly, approval of shareholders is being sought by way of Special Resolution.

Therefore, the Board of Directors at its meeting held on July 17, 2024 considered and recommends the proposal to obtain Special Resolution from the members of the Company on the matter.
Further, terms and conditions of his re- appointment other than as set out in Notice shall remain same as of the Resolution passed by the shareholders at General Meeting held on December 30, 2020. The Members wishes to seek the above stated resolution may write to the Company at cs@orchidpharma.com.

Additionally, in accordance with Regulation 36(3) of SEBI Listing Regulations, particulars of Mr. Mridul Dhanuka including his profile and specific areas of expertise are given below as **"Annexure 4"**.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Mridul Dhanuka, are in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 7 to the members of the Company.

**Item No. 8 – Approval for Material Related Party Transactions with M/s Otsuka Chemicals (India) Private Limited**

Pursuant to the Provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of Ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') approval of the members through resolution passed at General Meeting is required for all Material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds rupees one thousand crore or 10% of the annual consolidated turnover of the Company, as per the last audited Financial statements of the Company, whichever is lower.

M/s. Otsuka Chemicals (India) private Limited is a 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has existing transactions with M/s. Otsuka Chemicals (India) private Limited, which is in the ordinary course of business and at arm's length basis. Otsuka Chemical (India) Private Limited is the only approved source of the Key Raw Material GCLE for Orchid, even before the takeover by Dhanuka group. It is only incidental that after Dhanuka's takeover, this transaction has become a related party transaction by virtue of Mr. Manish Dhanuka, Managing Director of Orchid Pharma Limited being a Director and member in Otsuka Chemical (India) Private Limited & Mr. Mridul Dhanuka, Whole Time Director also being a Member of Otsuka Chemical (India) Private Limited.

Moreover, Otsuka also buys the end product produced from GCLE for its global requirements from Orchid under a long-term supply contract. The proposed RPTs with Otsuka will help the Company achieve economies of scale and will be in the best interest of the members.

Further, the estimated value of transactions with M/s. Otsuka Chemicals (India) private Limited for the financial year 2024-25 is likely to exceed 10% of the annual consolidated turnover of the Company as per the last Audited Consolidated financial statements of the Company. Thus, these transactions would require the prior approval of the Members by way of Resolution at the General Meeting and therefore approval of the Members is sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alteration for the Financial Year ended 2024-25 subject to the limits mentioned in the table below. The value of Related Party transactions with Otsuka Chemicals (India) Private Limited for the period commencing from April 01, 2024 till the date of this Notice has not exceeded the materiality thresholds and the Company will ensure that the same does not exceed the aforesaid threshold upto the date of the 31st AGM, i.e. August 21, 2024.

The relevant information pertaining to transactions with Otsuka as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

| **Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest ( Financial or otherwise)** | |
|---|---|
| **Name of the related party** | M/s. Otsuka Chemicals (India) Private Limited |
| **Name of the director or Key Managerial Personnel who is related, if any;** | Mr. Manish Dhanuka<br>Mr. Mridul Dhanuka |
| **Nature of relationship** | Mr. Manish Dhanuka is a Director and Member in M/s. Otsuka Chemicals (India) Private Ltd.<br>Mr. Mridul Dhanuka is a Member of M/s. Otsuka Chemicals (India) Private Ltd. |
| **Aggregate maximum value of the contract/ arrangement per transaction in any Financial year** | Aggregate value Upto Rs. 250 Crores (Rupees Two hundred and Fifty Crores Only) for the Financial year 2024-25 |
| **Nature, type, material terms, monetary value and particulars of the contract or arrangements** | The proposed transactions related to supply of raw material which shall be governed by the Company's Related Party Transaction Policy and shall be approved by the Audit Committee within the overall limits approved by the Members. |
| **Tenure of the proposed transaction** | Contracts/arrangements with a duration upto 1 year |
| **Any other information relevant or important for the members to take a decision on the proposed resolution.** | All the transactions are on recurring basis and on arm's length basis and in the ordinary course of business. The transactions are based on Purchase Orders issued from time to time. |
| **The percentage of the Orchid's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction** | 30.51% |
| **Justification as to why the RPT is in the interest of the listed entity;** | The details are provided in the foregoing paragraphs |
| **Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;** | 23.67% |
| **A copy of the valuation or other external party report, if any such report has been relied upon** | The transactions do not contemplate any valuation |
| **Where the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point4(f) of the aforesaid circular** | Not Applicable |

As per Regulation 23(4) of Listing Regulations, all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters, Dhanuka Laboratories Limited (Holding Company) shall not vote on the resolutions set out at Item No. 8., even after not being party in the given transaction.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee. The Board considers that the proposed related party transactions with M/s. Otsuka Chemicals (India) Private Limited play a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set out in Item No. 8 of this Notice for approval of the Members. This Explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Manish Dhanuka, Managing Director (Director on Board & Member of M/s. Otsuka Chemicals (India) Private Limited) and Mr. Mridul Dhanuka, Whole Time Director (Member of M/s. Otsuka Chemicals (India) private Limited), are in any way, concerned or interested, financially or otherwise, in the said resolution.

**Annexure-1**

**INFORMATION IN RESPECT OF ITEM NO.3 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)**

**Brief Profile of Ms. Shubha Singh, Non- Executive and Independent Director**

| Particulars | |
|---|---|
|  | |
| Name of Director | Ms. Shubha Singh, 48 years |
| DIN | 06926872 |
| Date of Birth | January 26, 1976 |
| Qualification | B.com (Hons), LLB, CS, CFA, MBA |
| Date of First Appointment on the Board | May 23, 2024 |
| Brief Profile/ Experience/ Skills/ Expertise | Having 25 years of experience in various domains like Secretarial, compliances, legal, investor relations, stakeholder management, strategy, CSR, POSH etc. in corporate sector.<br><br>Honoured with the Best Non-Executive Director Award in Listed Company category at MMB Iconic Women Directors of India, 2023 conclave held on 15th December, 2023 at BSE Convention center, Mumbai. Mrs. Smriti Irani and Dr. Kiran Bedi presided over the conclave.<br><br>Featured on cover page of Board stewardship magazine in Women's Day Special edition – March, 2024 and also her articles on ESG were published in the same edition.<br><br>Awarded the Distinguished Alumni Award 2024 for Corporate Excellence in Finance category by IMT CDL at Alumni meet held on 11th February, 2024.<br><br>Featured in the Alumni Spotlight section of the IMT CDL Alumni Yearbook 2024 which can be accessed at ps://www.imtcdl.ac.in/Annual-Alumni-Book-2024/,<br><br>Her article on Viksit Bharat- sustainability and sustainable development was published in ICSI- Chartered Secretary Journal, April, 2024.<br><br>Part of Achiever's talk series, was invited for a live talk with Mr. Ashok Sharma, Dean–IMT CDL on Unlocking Financial Potential in May, 2024.<br><br>Thought leadership by writing articles, posts etc. in various forums and as Guest speaker especially w.r.t Corporate governance, compliances, ethics, Laws, eco-legal regulatory eco-system, domestic and international. |

| | |
|---|---|
| Listed Companies in which the Director holds directorship | M/s. AMD Industries Limited, Director<br>M/s. Lords Chloro Alkali Limited, Director<br>M/s. Orchid Pharma Limited |
| Listed Companies in which Director holds Committee Membership | M/s. AMD Industries Limited<br>- Nomination and Remuneration Committee<br>- Stakeholders Relationship Committee<br>- Corporate Social Responsibility Committee<br>M/s. Lords Chloro Alkali Limited<br>- Nomination and Remuneration Committee<br>- Stakeholders Relationship Committee |
| Terms and Conditions of Appointment along with details of remuneration sought to be paid | In terms of Section 149 and other applicable provisions of the Act, Ms. Shubha Singh is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.<br>As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Ms. Shubha Singh as Independent Director was placed before the Board which recommends her appointment as Independent Director for a term of 5 years with effect from May 23, 2024. Ms. Shubha Singh is entitled only to the sitting fee for attending the Board and committee meetings which is fixed at Rs. 40,000 (Rupees Forty Thousand Only) per Board Meeting and Rs. 10,000 (Rupees Ten Thousand Only) per Committee Meeting. |
| Justification for choosing the appointees for appointment as Independent Directors | In the opinion of the Board, Ms. Shubha Singh fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management. The proposal for appointment of Director has been approved by the Board considering their skills, wide experience and knowledge |
| Number of meetings of the Board attended during the year 2023-24 | Not Applicable, being appointed after the closure of financial year ended on March 31, 2024. |
| Details of remuneration drawn in FY23-24 | Not Applicable, being appointed after the closure of financial year ended on March 31, 2024. |
| Details of Remuneration sought to be paid | Sitting Fees as paid to other Non-Executive Directors of the Company |

**Annexure-2**

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 (SS 2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

**Brief Profile of Mr. Ram Gopal Agarwal, Non- Executive Director**

| **Particulars** | |
|---|---|
|  | |
| Name of Director | Mr. Ram Gopal Agarwal |
| DIN | 00627386 |
| Date of Birth | July 30, 1949 |
| Age | 74 years |
| Qualification | Bachelor of Commerce (Honours) |
| Brief Profile/ Experience/ Skills/ Expertise | Mr. Ram Gopal Agarwal is Founder Chairman of Dhanuka Group. He has 56 years of rich and wide experience in the Industry. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Mineral Pvt. Ltd. in 1980 and transformed it today to Rs. 1700 Crore organization. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. He was the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all Indian Agrochemical majors. He has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit and Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI, National Safety Award – 3 times; Forbes Award – 200 Best under A Billion Companies in Asia Pacific etc. |
| Terms and Conditions | Same terms and conditions as approved by the Members vide Resolution dated December 20, 2020 i.e. Appointed as Non-Executive Director liable to retire by rotation with nil remuneration. |
| Inter-se relationships with Directors and Key Managerial Personnel | NIL |

| | |
|---|---|
| Listed Companies in which the Director holds directorship and committee membership | M/s. Dhanuka Agritech Limited<br>M/s. Orchid Pharma Limited |
| Shareholding in the Company including shareholding as a beneficial owner | Mr. Ram Gopal Agarwal does not hold any shares directly in the Company. However, he is a beneficial owner of 69.84% through Dhanuka Laboratories Limited (Holding Company categorised as Promoter of the Company) u/s 89 of the Companies Act 2013, as amended. |
| Listed Entities from which the Director has resigned as Director in past 3 years | NIL |
| Number of meetings of the Board attended during the year 2023-24 | 1 out of 9 |
| Details of remuneration drawn in FY23 -24 | Nil |
| Details of Remuneration sought to be paid | Sitting Fees as paid to other Non -Executive Directors of the Company |

**Annexure-3**

**INFORMATION IN RESPECT OF ITEM NO.6 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)**

**Brief Profile of Mr. Manish Dhanuka, Managing Director**

| **Particulars** | |
|---|---|
|  | |
| Name of the Director | Mr. Manish Dhanuka |
| DIN | 00238798 |
| Date of Birth | 28.09.1967 |
| Age | 56 Years |
| Qualification | Mr. Manish Dhanuka holds a B. Tech in Chemical Engineering from IIT, New Delhi, and M.S in Chemical Engineering from the University of Akron, USA |
| Brief Profile/ Experience/ Skills/ Expertise | Mr. Manish Dhanuka has 29 years of rich experience in research, evaluation, and teaching in the pharmaceutical industry with expertise in innovative pharmaceutical technologies. He excels in creating economical pharmaceutical technologies and accelerated evaluation process for improving healthcare. His wide-ranging experience of handling operations, commercial, marketing and finance in the manufacturing industry provides for his analytical and decision- making skills facilitating the restoration of the company to its glorious past and to achieve even greater heights. Before establishing Dhanuka laboratories Ltd. In 1993, he began his career at Ranbaxy Labs Ltd. in New Delhi and worked there for 5 years. His vision and strategy to grow the Pharmaceutical industry in the Indian sub- continent, have helped the Dhanuka Group enhance its Bulk Drugs manufacturing arm exponentially. He spearheaded the acquisition of Synmedic Laboratories in the year 2013 which is involved in pharmaceutical formulations. This entrepreneurial vigor enabled him to take over the operations of Orchid Pharma Ltd. in March 2020 and since he has played an importat role in turning around the business of the Company with knowledge, expertise and dedication. He is driving force behind the new business vertical of the Company.In accordance with section 2(77) of the Companies Act, 2023, Mr. Manish Dhanuka does not have any relationship with Director and Key Managerial Personnel of the Company force behind the new business vertical of the Company. |

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| Inter-se relationships with Directors and Key Managerial Personnel | In accordance with section 2(77) of the Companies Act, 2023, Mr. Manish Dhanuka does not have any relationship with Director and Key Managerial Personnel of the Company |
| Listed Companies in which the Director holds directorship and committee membership | M/s. Dhanuka Agritech Limited<br>M/s. Orchid Pharma Limited |
| Listed Entities from which the Director has resigned as Director in past 3 years | NIL |
| Number of meetings of the Board attended during the year 2023-24 | 9 of 9 |
| Details of remuneration drawn in FY23 -24 | Rs. 3.55 Crores (Detailed explanation included in the Corporate Governance Report forming part of the Annual Report. |
| Details of Remuneration sought to be paid | As set out in the Resolution |

**Annexure-4**

**INFORMATION IN RESPECT OF ITEM NO. 7 (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA PURSUANT TO SECTION 118 OF THE COMPANIES ACT, 2013)**

**Brief Profile of Mr. Mridul Dhanuka, Whole-time Director**

| **Particulars** | |
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|  | |
| Name of the Director | Mr. Mridul Dhanuka |
| DIN | 00199441 |
| Date of Birth | 20.10.1980 |
| Age | 43 Years |
| Qualification | Mr. Mridul Dhanuka is a Chemical Engineer with a Master's Degree in Business Administration. |
| Brief Profile/ Experience/ Skills/ Expertise | Mr. Mridul Dhanuka has wide experience of 20 years. He is associated with Dhanuka Group Ltd. since 2005. His technical expertise has supported to enlarge the product base of Dhanuka. He helped Dhanuka in smoothening the production, procurement and logistic functions and established quality control.<br>With the takeover of the operations of Orchid Pharma Ltd. in March 2020 and his appointment as Whole Time Director of the Company has played an vital role in turning around the business of the Company with knowledge, expertise and devotion . He is instrumental in driving various initiatives to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership the Company was able to expand its business facilities. He was responsible in successfully realigning the entire supply chain vertical from procurement to sales thereby making a positive contribution in the profitability of the Company. He is a driving force behind the new business vertical of the Company. |
| Inter-se relationships with Directors and Key Managerial Personnel | In accordance with section 2(77) of the Companies Act, 2023, Mr. Mridul Dhanuka does not have any relationship with Director and Key Managerial Personnel of the Company |

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| Listed Companies in which the Director holds directorship and committee membershi p | M/s. Orchid Pharma Limited |
| Listed Entities from which the Director has resigned as Director in past 3 years | M/s. Dhanuka Agritech Limited |
| Number of meetings of the Board attended during the year 2023-24 | 9 of 9 |
| Details of remuneration drawn in FY23 -24 | Rs. 3.55 Crores (Detailed explanation included in the Corporate Governance Report forming part of the Annual Report. |
| Details of Remuneration sought to be paid | As set out in the Resolution |

OrchidPharma

— A Dhanuka Group Company —

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