

## Annexure V to the Directors' Report

# Corporate Governance Report

### A. Company's Philosophy on Code of Corporate Governance

At Orchid, we are committed to practising good Corporate Governance norms. 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 Company has been complying with Corporate Governance norms right from its inception. We endeavour to enhance the long term stake holding value of our investors. The Company complies with the Corporate Governance Regulations as enumerated in Regulation 15-27, 46 and Schedule II of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (herein after called as "SEBI (LODR) Regulations 2015")

### B. Board of Directors

#### 1. Composition of Board

The Chairman of the Board of Directors is a Non-executive, Independent Director. During the year the Board had optimum combination of Executive and Non-executive Directors. None of the directors is related to another. Board consists of 6 Directors, out of whom 5 are Non-executive Directors and 1 Executive Director. Non-executive Directors constitute 83% of the total Strength which is more than the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015. Out of 5 Non-executive Directors, two are Independent Directors which is equal to 1/3rd of the total strength and one is a woman director as required under the Companies Act 2013 and SEBI (LODR) Regulations 2015. All the Directors of the company are Resident Indians.

The composition of Board and the details of the Directors with regard to directorships in other Companies and Committees during the year ended March 31, 2016 are as follows:

S. No	Name(s) of the Directors(s)	Category	Number of Directorship held in other companies <sup>§</sup>	Number of Board committee positions in other companies held as	
				Member *	Chairman *
1	Shri K N Venkatasubramanian	Non-Executive, Independent	6	3	-
2	Shri K Raghavendra Rao	Promoter and Executive Director	-	-	-
3	Shri S Krishnan	Non-Executive, Non Independent	1	-	-
4	Shri R Kannan	Non-Executive, Independent	5	4	1
5	Smt Soundara Kumar	Non-Executive, Non Independent (Nominee of SBI)	8	4	-
6	Shri Rabinarayan Panda <sup>#</sup>	Non-Executive, Non Independent (Nominee of IDBI Bank Ltd)	1	-	-
7	Shri Sundaram Yuvaraj <sup>^</sup>	Non-Executive, Independent	-	-	-
8	Shri Nagaraj Garla <sup>#</sup>	Non-Executive, Non Independent (Nominee of IDBI Bank Ltd)	-	-	-

Notes : There are no inter-se relationships between our Board members.

§ Excludes Foreign Companies, Private Limited Companies, Section 8 companies and alternate Directors as per Regulation 26 SEBI (LODR) Regulation, 2015.

\* As required by Regulation 26 of the SEBI (LODR ) Regulations, The Disclosure includes membership/Chairmanship of the audit committee and Stakeholder relationship Committee across all Public Limited companies.

# Industrial Development Bank of India Limited (IDBI Bank Ltd) withdrew the nomination of Shri Nagaraj Garla and appointed Shri Rabinarayan Panda, as its nominee on the board with effect from December 28, 2015.

^ As per Section 167 of Companies Act 2013, Shri Sundaram Yuvaraj Vacated the Office of Director with effect from May 28, 2015.

## 2. Board Meetings & Attendance Record of the Directors

The Board meets at least once in a quarter to review the quarterly financial results and operations of your Company. It also meets as and when necessary to address specific issues relating to the business of your Company. During the year ended March 31, 2016 the Board met 6 (Six) times on May 28, 2015, August 13, 2015, November 09, 2015, December 30, 2015, February 10, 2016, & March 18, 2016. The attendance records of the Directors are as under:

Name(s) of the Director(s)	Number of Board Meetings Attended	Last AGM Attendance
Shri K N Venkatasubramanian	5	Present
Shri K Raghavendra Rao	6	Present
Shri S Krishnan	6	Present
Shri R Kannan	6	Present
Shri Rabinarayan Panda / Shri Nagraj Garla (Nominee of IDBI Bank Ltd)	6	Present
Smt Soundara Kumar (Nominee Director SBI)	4	Not Present

## 3. Code of Conduct

The Board of Directors has laid down a Code of Conduct (“the Code”) for all Board members and senior management personnel of your Company. Independent Directors shall also ensure compliance with Code for Independent Directors formulated in accordance with SEBI (LODR) Regulations, 2015. The Code is posted on your Company’s Website under the weblink ([http://www.orchidpharma.com/ir\\_downloads.aspx](http://www.orchidpharma.com/ir_downloads.aspx)). All Board members and senior management personnel have confirmed compliance with the Code. A declaration signed by the Managing Director is attached and forms part of this Report.

## 4. Number of Shares held by Non-Executive Directors

Name(s) of the Director(s)	Number of Shares held as on March 31, 2016
Shri K N Venkatasubramanian	1,000
Shri S Krishnan	2,000
Shri R Kannan	-
Shri Rabinarayan Panda	-
Smt Soundara Kumar	-

## 5. Meeting of Independent Directors

During the year 2015-16, the meeting of independent Directors was held on March 18, 2016. The Independent Directors review the performance of non-independent Directors and the Board of Directors as a whole and also reviews the performance of the Chairperson of the Company after considering the views of Executive directors and Non-executive Directors. They also assess the quality, content & timeliness of flow of Information between the Management and the Board of Directors.

### Familiarization Programme for Independent Directors

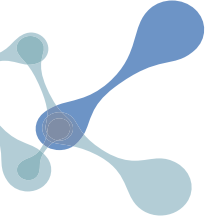
The Company has formulated a familiarization programme for Independent Directors in order to enrich them about their rights and responsibilities, the industry and business model, the company and its operations. The details are posted on your Company’s Website under the weblink <http://www.orchidpharma.com/downloads/Familiarization%20Programme%20for%20Independent%20Directors.pdf>

## 6. Audit Committee

The Constitution of Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The Audit Committee of the Board consists of three Directors with Independent Directors forming a majority. All the members of the committee are financially literate with ability to read and understand the financial statements.

The terms of reference specified by Board are described :

- (i) The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- (ii) Review and monitor the auditor’s independence and performance, and effectiveness of Audit process;
- (iii) Examination of the financial statement and the Auditors’ report thereon;
- (iv) Approval or any subsequent modification of transactions of the Company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary;



- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

In addition, the Committee has discharged such other role/ function as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

The composition of the Committee and the attendance of each member of the Committee at the meetings are given below:

Name(s) of the Director(s)	Category	Number of Meetings Attended
Shri K N Venkatasubramanian	Non -Executive, Independent Director - Chairperson	3
Shri Nagaraj Garla / Shri Rabinarayan Panda (Nominee of IDBI Bank Ltd)	Non - Executive, Non - Independent	4
Shri R Kannan	Non-Executive, Independent	4

The Company Secretary is the Secretary of the Audit Committee.

## 7. Nomination and Remuneration Committee

Nomination and Remuneration Committee determines and recommends the remuneration payable to the Executive Directors/Whole Time Directors on the basis of their performance as well as Company's performance, subject to consents as may be required. The remuneration to the Executive Directors consists of a fixed salary and other perquisites. Wherever applicable the perquisites are considered as a part of remuneration and taxed as per the Income Tax laws.

The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings / Committee Meetings. The Nomination and Remuneration Committee deals with all elements of remuneration package, stock options, service contracts, etc. of all Executive Directors.

### Role of Nomination and Remuneration Committee:

- (1) formulation of 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;
- (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 their performance evaluation.

Further details on evaluation of performance of the Board, its Committees and Individual Directors, is provided in the Board's Report.

The Nomination and Remuneration Committee met once on May 28, 2015 during the year ended March 31, 2016

The composition of the Committee and the attendance of each member of the Committee at the meeting are given below:

Name(s) of the Director(s)	Category	Number of Meetings Attended
Shri R Kannan	Non – Executive, Independent Director - Chairperson	*
Shri K N Venkatasubramanian	Non -Executive, Independent	Not Present
Shri S Krishnan	Non -Executive, Independent	1
Shri Nagaraj Garla (Nominee of IDBI Bank Ltd)	Non - Executive, Non - Independent	1

\*Appointed as member of the committee with effect from May 28, 2015.

Details of remuneration paid to Directors for the Year 2015-16 are given below:

Name(s) of the Director(s)	Remuneration paid during the year 2015-16 (In ₹)				No. of Stock Options
	Salary & Perquisites	Commission/ bonus	Sitting fees	Total	
Shri K Raghavendra Rao	68,20,000	-	-	68,20,000	-
Shri K N Venkatasubramanian	-	-	2,00,000	2,00,000	-
Shri S Krishnan	-	-	2,40,000	2,40,000	-
Shri R Kannan	-	-	2,20,000	2,20,000	-
Shri Rabinarayan Panda	-	-	80,000	80,000	-
Smt Soundara Kumar	-	-	60,000	60,000	-
Shri Nagaraj Garla	-	-	1,40,000	1,40,000	-

Pursuant to Section 178 of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, 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 is posted on your company's website under the weblink ([http://www.orchidpharma.com/downloads/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf))

### 8. Compensation Committee

Pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, a Compensation Committee was constituted in the year 1999. The purpose of this committee is to grant options to employees. The Committee comprises of Shri K Raghavendra Rao and Shri Rabinarayan Panda. The committee has not met during the year 2015-16.

### 9. Allotment Committee

The Committee considers allotment of equity shares whenever the need arises. The Committee comprises of Shri K N Venkatasubramanian, Shri K Raghavendra Rao and Shri S Krishnan. The Committee has met on October 09, 2015 during 12 (Twelve) months ended 31st March 2016, to discuss and consider the allotment of 37,02,450 equity shares of Rs.10/- each at Rs.49.79/- per share (including a premium of Rs.39.79/- per share) under CDR Scheme to the Promoter Group Company, Orchid Healthcare Private Limited.

Name(s) of the Director(s)	Category	Number of Meetings Attended
Shri K N Venkatasubramanian	Non - Executive, Independent	1
Shri S Krishnan	Non-Executive, Non-Independent	1
Shri K Raghavendra Rao	Promoter and Executive Director	1

### 10. Stakeholder Relationship Committee

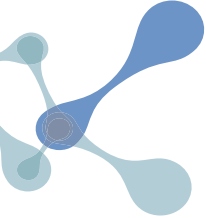
The Stakeholders Relationship Committee of Directors looks into the redressal of complaints of investors such as share transfers or credit of shares, non-receipt of dividend/notices/ annual reports, etc. The Stakeholders Relationship Committee met 4 (Four) times during the year ended March 31, 2016 on May 28, 2015, August 13, 2015, November 09, 2015, and February 10, 2016 to consider the transfers in the physical segment.

Name(s) of the Director(s)	Category	Number of Meetings Attended
Shri S Krishnan	Non -Executive, Non – Independent - Chairperson	4
Shri K Raghavendra Rao	Promoter and Executive Director	4

The Board has designated Shri L Chandrasekar, Chief Financial Officer & Company Secretary as the Compliance Officer.

The following table shows the nature of complaints received from shareholders during 2015-2016, all of which have been responded within one month.

S. No	Nature of Complaints	Received and Resolved	
		2015 - 2016	2013-2015
1.	Non-receipt of share certificates sent for transfer/bonus shares	-	2
2.	Non-receipt of dividend warrants	4	4
3.	Complaints from SEBI, Stock exchanges and Government departments	3	1
	<b>TOTAL</b>	<b>7</b>	<b>7</b>



## 11. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The Committee met on March 18, 2016 during the year ended March 31, 2016. A complete report on various initiatives and programmes undertaken by your Company in CSR areas are provided in the Directors' Report.

The composition of the CSR Committee and the attendance of each member of the Committee at the meeting are given below

Name(s) of the Director(s)	Category	Number of Meetings Attended
Shri K N Venkatasubramanian	Non -Executive, Independent - Chairperson	1
Shri S Krishnan	Non-Executive, Non-Independent	1
Shri Nagaraj Garla/ Rabinarayan Panda (Nominee of IDBI Bank Ltd)	Non - Executive, Non - Independent	1

## 12. Details of Annual/Extraordinary General Meetings and location and time of the General Meetings held in the past three (3) years

All the resolutions including the special resolutions set out in the respective notices were passed by the shareholders.

Year	AGM / EGM	Location	Special resolutions passed	Date	Time
2015	AGM	Kamaraj Memorial Hall, TNCC Charitable Trust, New No 492, Anna Salai, Teynampet West, Chennai 600006 .	a) Approval sought for the revised terms and remuneration of the Managing Director. b) To change the Name of the Company to "Orchid Pharma Limited".	September 15, 2015	10.30 AM
2013	AGM	Sathguru Gnanananda Hall, Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai-600018.	- NIL -	March 19, 2014	10.30 AM
2012	AGM	Sathguru Gnanananda Hall, Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai-600018.	Re-appointment of Chairman & Managing Director	September 20, 2012	10.30 AM

None of the resolutions passed at the above meetings were required to be passed through postal ballot.

## Postal Ballot

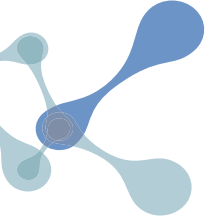
The Company has not conducted any postal ballot during the year ended March 31, 2016 pursuant to Section 110 of the Companies Act, 2013.

## 13. Means of Communication:

- Financial Results are published by the Company in Financial Express and Makkal Kural.
- Results are also displayed in URL [www.orchidpharma.com](http://www.orchidpharma.com). Official news releases are also updated in the site.
- The Company has an internet portal to communicate with its employees.
- Key developments are communicated to the Stock Exchanges and media as and when they occur.

## 14. General Shareholder Information

1	Registered Office	'ORCHID TOWERS', 313, Valluar Kottam High Road, Nungambakkam, Chennai - 600 034, Tamil Nadu, India
2	Date, Time and Venue of 23rd Annual General Meeting (AGM)	Wednesday, September 28, 2016, 10.30 AM at Kamaraj Memorial Hall, TNCC Charitable Trust, No.492, Anna Salai, Teynampet west, Chennai - 600 006.
3	Book Closure Date	September 19, 2016 to September 28, 2016 (both days inclusive)
4	Financial Calendar	
	Financial reporting for:	
	Quarter ending June 30, 2016	Second week of August 2016
	Quarter ending September 30, 2016	Second week of November 2016
	Quarter ending December 31, 2016	Second week of February 2017
	Quarter ending March 31, 2017	Last week of May 2017
5	The Equity Shares of Rs.10/- each are listed at	<p><b>National Stock Exchange of India Limited</b> "Exchange Plaza", Plot No,C/1,G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India, Tel : 91-22-26598100, Fax : 91-22-26598120</p> <p><b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India Tel : 91-22-22721233, Fax : 91-22-22721919</p>
6	Global Depository Receipts (GDR's) are listed at	<p><b>Luxembourg Stock Exchange</b> Boursede Luxembourg, BP 165,L-2011 Luxembourg, Tel :+3524779361, Telefax : +352473298</p> <p><b>London Stock Exchange</b> Registered Office: 10, Paternoster Square, London EC4M 7LS</p>
7	Listing Fees	Listing Fees have been paid for all the above Stock Exchanges for the year 2015-16 and 2016-17.

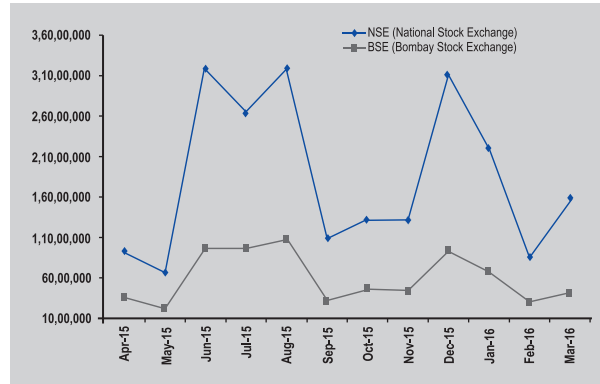


## Stock Market Data

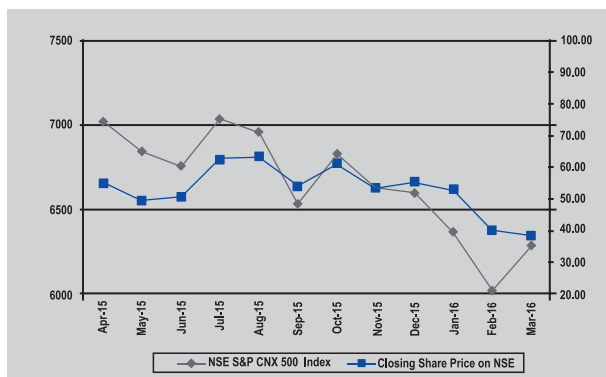
a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2015-16 are:

Month	NSE			NSE S&P CNX 500 INDEX (Avg)	BSE			BSE 500 INDEX (Avg)
	High (₹)	Low (₹)	Volume of Shares (Nos)		High (₹)	Low (₹)	Volume of Shares (Nos)	
Apr-15	62.35	49.50	93,18,623	7,021	62.30	49.55	36,73,013	11,123
May-15	54.70	46.80	66,81,559	6,845	54.45	46.85	22,77,035	10,844
Jun-15	64.50	42.50	3,19,88,743	6,757	64.40	42.60	96,88,772	10,689
Jul-15	68.75	57.10	2,64,65,574	7,035	68.85	57.20	96,50,179	11,118
Aug-15	75.55	51.00	3,18,63,111	6,956	75.30	51.00	1,08,59,943	10,991
Sep-15	59.35	48.70	1,09,89,258	6,530	59.30	48.75	32,65,513	10,318
Oct-15	64.80	56.60	1,32,73,425	6,828	64.75	56.60	47,63,111	10,791
Nov-15	60.70	48.80	1,31,98,331	6,628	60.70	48.90	44,54,663	10,483
Dec-15	67.40	49.00	3,11,47,897	6,596	67.50	48.95	94,91,508	10,431
Jan-16	66.10	42.35	2,20,12,482	6,366	66.10	42.30	67,71,082	10,067
Feb-16	47.50	32.30	85,38,319	6,019	47.60	32.60	31,03,978	9,508
Mar-16	42.90	32.80	1,58,41,082	6,288	42.70	32.95	41,87,797	9,923
<b>TOTAL</b>			<b>22,13,18,404</b>				<b>7,21,86,594</b>	

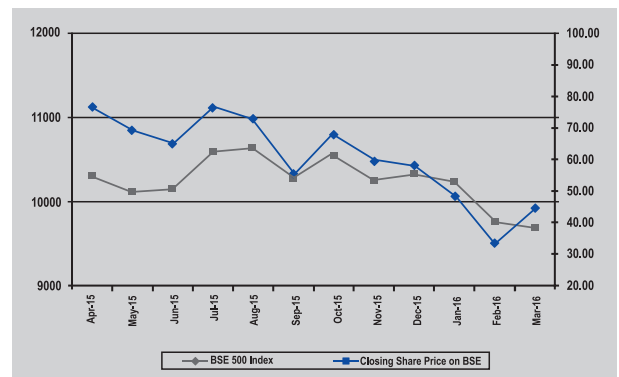
b) Graphical representation of volume of shares traded of Orchid during April 2015- March 2016



c) Comparison of broad based indices of NSE with share price of Orchid Pharma Ltd during April 01, 2015 - March 31, 2016



d) Comparison - BSE Index vs Share price of Orchid Pharma Ltd during April 01, 2015 - March 31, 2016





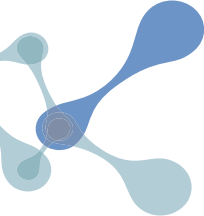
## Stock Exchange Security Code and other related Information

Bombay Stock Exchange Limited	524372
National Stock Exchange of India Limited	ORCHIDPHAR
Depository ISIN No.	INE191A01019
Corporate Identification Number (CIN)	L24222TN1992PLC022994

## Equity History of the Company since incorporation of the Company upto March 31, 2016

Date	Particulars	Number of Shares	
		Issued	Cumulative
13-Jul-92	Subscribers to Memorandum	70	70
26-Nov-92	Issued to Promoters on Private Placement basis	2,49,930	2,50,000
27-Feb-93	Issued on Private Placement basis	14,51,800	17,01,800
04-Nov-93	Issued on Private Placement basis	17,98,200	35,00,000
08-Nov-93	Public Issue	25,00,000	60,00,000
18-Jul-94	Issued on Private Placement basis	12,00,000	72,00,000
01-Nov-94	Issued to Foreign Institutional Investors on Private Placement basis	2,50,000	74,50,000
03-Nov-94	Issued on Private Placement basis	12,23,000	86,73,000
21-Apr-95	Rights Issue (1:1)	86,73,000	1,73,46,000
09-Dec-99	Issued to Foreign Companies on Private Placement basis	1,06,53,192	2,79,99,192
21-Nov-02	Allotment pursuant to conversion of FCCBs	43,82,727	3,23,81,919
01-Mar-05	Allotment pursuant to conversion of warrants	17,50,000	3,41,31,919
27-Apr-05	Allotment pursuant to exercise of ESOS	11,800	3,41,43,719
02-Aug-05	Allotment pursuant to exercise of ESOS	59,485	3,42,03,204
02-Aug-05	Allotment pursuant to conversion of warrants	1,80,000	3,43,83,204
31-Aug-05	Allotment pursuant to exercise of ESOS	3,00,676	3,46,83,880
31-Aug-05	Allotment pursuant to conversion of warrants	70,000	3,47,53,880
21-Sep-05	Bonus Issue (1:2)	1,73,76,940	5,21,30,820
13-Oct-05	Allotment pursuant to conversion of warrants	1,05,000	5,22,35,820
02-Nov-05	Allotment pursuant to conversion of GDRs	92,50,000	6,14,85,820
23-Dec-05	Allotment pursuant to exercise of ESOS	19,649	6,15,05,469
01-Mar-06	Allotment pursuant to conversion of FCCBs	1,84,330	6,16,89,799
07-Mar-06	Allotment pursuant to conversion of FCCBs	4,60,827	6,21,50,626
20-Mar-06	Allotment pursuant to conversion of FCCBs	17,51,146	6,39,01,772
20-Mar-06	Allotment pursuant to conversion of warrants	50,000	6,39,51,772
31-Mar-06	Allotment pursuant to conversion of FCCBs	6,52,531	6,46,04,303
31-Mar-06	Allotment pursuant to conversion of FCCBs	13,879	6,46,18,182
18-Apr-06	Allotment pursuant to conversion of FCCBs	4,14,744	6,50,32,926
28-Apr-06	Allotment pursuant to conversion of FCCBs	7,37,325	6,57,70,251
28-Apr-06	Allotment pursuant to exercise of ESOS	3,475	6,57,73,726
31-May-06	Allotment pursuant to conversion of warrants	35,000	6,58,08,726
31-May-06	Allotment pursuant to exercise of ESOS	3,015	6,58,11,741
19-Oct-06	Allotment pursuant to exercise of ESOS	4,000	6,58,15,741





Date	Particulars	Number of Shares	
		Issued	Cumulative
03-May-07	Allotment pursuant to exercise of ESOS	6,085	6,58,22,376
17-Jul-07	Allotment pursuant to exercise of ESOS	5,650	6,58,28,026
18-Oct-07	Allotment pursuant to exercise of ESOS	6,000	6,58,34,026
20-Dec-07	Allotment pursuant to exercise of ESOS	3,000	6,58,37,026
17-Jan-08	Allotment pursuant to exercise of ESOS	13,750	6,58,50,776
26-Apr-08	Allotment pursuant to exercise of ESOS	9,425	6,58,60,201
29-May-08	Allotment pursuant to exercise of ESOS	16,375	6,58,76,576
13-Aug-08	Allotment pursuant to conversion of warrants	3,81,000	6,62,57,576
13-Aug-08	Allotment pursuant to exercise of ESOS	4,000	6,62,61,576
29-Aug-08	Allotment pursuant to conversion of warrants	41,79,000	7,04,40,576
29-Aug-08	Allotment pursuant to exercise of ESOS	1,500	7,04,42,076
17-May-12	Allotment pursuant to exercise of ESOS	10,000	7,04,52,076
22-Dec-14	Allotment pursuant to Preferential Allotment to Promoters	1,48,09,801	8,52,61,877
09-Oct-15	Allotment pursuant to Preferential Allotment to Promoters	37,02,450	8,89,64,327
	<b>TOTAL</b>	<b>8,89,64,327</b>	

### Distribution of Shareholding as on:

No of equity Shares held	March 31, 2016			March 31, 2015		
	No of shares	No of Shareholders	% of Shareholders	No of shares	No of Shareholders	% of Shareholders
1-500	99,17,347	75,428	86.97	92,59,606	73,724	88.86
501-1000	48,97,467	6,043	6.97	41,15,575	5,103	6.15
1001-2000	42,96,316	2,841	3.28	33,48,179	2,219	2.67
2001-3000	21,79,489	850	0.98	16,89,820	661	0.80
3001-4000	14,18,417	390	0.45	11,33,362	314	0.38
4001-5000	15,33,654	324	0.37	11,95,046	253	0.30
5001-10000	34,84,596	478	0.55	27,10,235	373	0.45
10001 & above	6,12,37,041	370	0.43	6,18,10,054	320	0.39
<b>TOTAL</b>	<b>8,89,64,327</b>	<b>86,724</b>	<b>100.00</b>	<b>8,52,61,877</b>	<b>82,967</b>	<b>100.00</b>

### Dematerialization of Shares

The shares of the Company are in compulsory demat segment and are available for trading in both the depository systems, namely, National Securities Depository Limited and Central Depository Services (India) Limited. Shares dematerialised upto March 31, 2016 are :

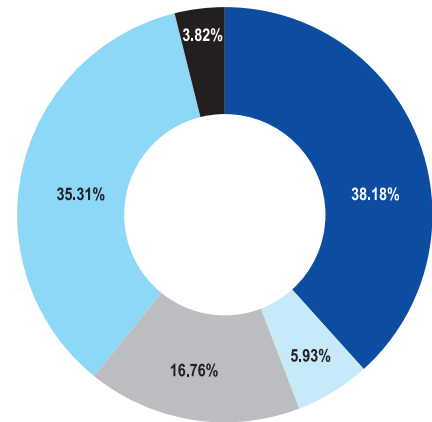
No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
<b>8,49,66,905</b>	<b>99.66</b>	<b>84836</b>	<b>97.82</b>

### Reconciliation of Share Capital Audit

A qualified practising 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.

## Shareholding Pattern as on March 31, 2016

	Category	No of Shares Held	Percentage of Shareholding
<b>A</b>	<b>PROMOTER HOLDING</b>		
1	Promoters / Promoter Group		
	(a) Indian	3,39,68,832	38.18
	(b) Foreign	-	-
	<b>Sub-Total (1)</b>	<b>3,39,68,832</b>	<b>38.18</b>
<b>B</b>	<b>NON-PROMOTER HOLDING</b>		
2	Institutional Investors		
	(a) Mutual Funds	5,450	0.01
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	33,81,254	3.80
	(c) Foreign Institutional Investors (FIIs)	9,75,663	1.10
	<b>Sub-Total (2)</b>	<b>43,62,367</b>	<b>4.91</b>
3	OTHER INVESTORS		
	(a) Private Corporate Bodies	1,49,15,011	16.76
	(b) Indian Public (Resident Individuals)	3,14,20,500	35.31
	(c) Non Resident Indians / Overseas Corporate Bodies	9,03,555	1.02
	(d) Foreign Companies	33,94,062	3.82
	<b>Sub Total (3)</b>	<b>5,06,33,128</b>	<b>56.91</b>
	<b>GRAND TOTAL (1+2+3)</b>	<b>8,89,64,327</b>	<b>100.00</b>



## Global Depository receipts (GDRs)

The number of GDRs outstanding as on March 31, 2016 are 32,26,688 out of the total number of 8,89,64,327 equity shares of the Company. Each GDR is represented by an underlying equity share.

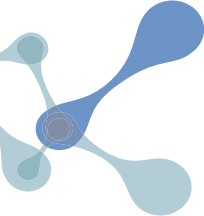
## Share Transfer System

Pursuant to Regulation 7(1) of Listing Regulation, your Company has appointed M/s Integrated Enterprises (India) Limited as the Registrar and Share Transfer Agents for facilitating both physical and electronic segments. The Stakeholders Relationship Committee met 4 times during the year 2015-2016. Securities lodged for transfer with the Registrar are processed within 15 days from the date of lodgement. The Board has delegated the power to approve the share transfer activities to few employees of the Company.

## Unclaimed Dividends

Pursuant to Section 123 of the Companies Act, 2013, the unclaimed dividend amounting to Rs.8,43,111/- pertaining to the financial year 2006-07 was transferred to the Investor Education and Protection Fund (IEPF) in September 2014 and the unclaimed dividend amounting to Rs.9,83,577/- pertaining to the financial year 2007-08 was transferred to the Investor Education and Protection Fund (IEPF) in December 2015.

Unclaimed dividend for the financial year 2008-09 is due for transfer to IEPF in October 2016. The dividends for the years from 2009-10 onwards, which remain unclaimed for seven years will be transferred to IEPF established by the Central Government under Section 125 of the Companies Act, 2013 as and when they become due. Shareholders who have not encashed their dividends for these periods are requested to write to the Company.



## Equity Shares in the Suspense Account

As per Regulation 34(3) of the Listing Regulations, 2015 read along with Schedule V, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the Public Issue/Bonus Issue/Rights Issue of the Company and unclaimed as on March 31, 2016.

S.No	Particulars	No. of shareholders	No. of equity shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2015	205	12,086
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
4	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	205	12,086

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares. As per Regulation 39 of the Listing Regulations, 2015 read along with Schedule VI, three reminders were issued for shares issued in physical form, which remain unclaimed. The Company has transferred these shares into one folio in the name of "Unclaimed Suspense Account" and dematerialised the same with one of the Depository participant.

### ECS Mandate

To service its investors better, the Company requests all its members who hold shares in electronic form to update their bank particulars with their respective depository participants immediately. Shareholders holding shares in physical form may kindly forward the bank particulars to the Company's Registrar and Share Transfer Agent.

### Plant Locations:

#### a) Active Pharmaceutical Ingredient Facilities

##### Alathur Works

Plot Nos.85-87, 98-100, 126-131, 138-151 and 159-164, SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India

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

- i) A10/A11, SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- ii) B-77, SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- iii) Plot Nos. B5 (Part) and B6 (Part), SIPCOT Industrial Park, Irungattukottai, Sriperumbudur (TK), Pin 602 105, Tamil Nadu, India

#### c) Research and Development Centre

Plot No. 476/14, Old Mahabalipuram Road, Shozhanganallur, Chennai - 600 119, Tamil Nadu, India

### Investor Contacts

- |   |   |
|---|---|
| a) Investor Correspondence / Compliance Officer<br>Shri L Chandrasekar<br>Company Secretary<br>Phone: (044) - 28211000; Fax: (044) – 28211002<br>E-mail: corporate@orchidpharma.com | b) Registrar and Share Transfer Agent<br>Integrated Enterprises (India) Limited<br>2nd Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road,<br>T Nagar, Chennai – 600 017, Tamil Nadu, India.<br>Tel : 91 -44-28140801 – 03, Fax : 91 -44-28142479<br>E-mail : corperserv@iepindia.com<br>Website : www.iepindia.com |
|---|---|

### Other Disclosures

#### Materially Significant Related Party Transaction

There were no Materially Significant Related Party Transactions entered into by the Company during the year 2015-16. The transactions with related parties that are recorded in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 are entered in the ordinary course of business and does not qualify as materially Significant Related Party transactions. These transactions does not cause potential conflict with the interests of the Company.

### Details of Non-Compliance by the Company

The Company has complied with all the statutory regulations except for the following-

1. There was an unintentional delay in filing the shareholding pattern for the quarter ending December 31, 2015 with Stock Exchanges which was beyond the control of the Company. In this regard, the Company has paid a penalty to National Stock Exchange of India Ltd (NSE) and BSE Ltd. The penalty amount of Rs.17,175/- was paid to BSE Ltd. The amount of penalty levied by NSE is under dispute.
2. The Company had allotted 37,02,450 shares as part of second tranche under preferential allotment to the promoter group Company (Orchid Healthcare Private Limited) as per Corporate Debt Restructuring Programme. Subsequent to the preferential allotment, the pledged shares of promoters were invoked by the lenders and they started disposing of the invoked shares in the market, which is violation of Regulation 78(6) of the SEBI (ICDR) Regulations, 2009. The Company has filed a Settlement Application with SEBI under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

### 15 CEO/CFO Certification

To  
The Board of Directors  
Orchid Pharma Limited,  
Chennai.

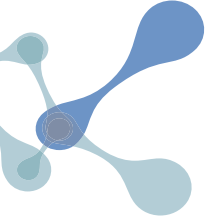
We the undersigned, certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2016 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 year, 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 where applicable, we and the Internal Auditor(s) have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they 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 where required:
  - i) Significant changes in internal control over Financial Reporting during the year; and
  - ii) Significant changes in Accounting policies during the year and the same have been disclosed in the notes to the Financial Statements; and
  - iii) 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.

Place: Chennai  
Date : May 27, 2016

**L Chandrasekar**  
*Chief Financial Officer*

**K. Raghavendra Rao**  
*Managing Director*



## Code of Conduct Certification

In accordance with Regulation 26(3) of Listing Regulation, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the year ended March 31, 2016.

Place: Chennai  
Date : May 27, 2016

K. Raghavendra Rao  
Managing Director

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## CERTIFICATE ON CORPORATE GOVERNANCE

TO  
THE MEMBERS OF  
ORCHID PHARMA LIMITED  
CIN: L24222TN1992PLCO22994

We have examined the compliance of conditions of Corporate Governance by M/s. ORCHID PHARMA LIMITED ("the Company") for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15(2) for the period 1st December, 2015 to 31st March, 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures & implementations thereof adopted by the Company for ensuring the 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of the Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15(2) for the period 1st December, 2015 to 31st March, 2016.

We further state that such compliance 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 S Dhanapal & Associates**  
A Firm of Practicing Company Secretaries

**N Ramanathan**  
*Partner*

Place: Chennai  
Date : May 27, 2016

Membership No. : FCS 6665  
CP No. : 11084