

**(Under Corporate Insolvency Resolution Process)**

April 17, 2018

**The Manager  
Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor, Plot No: C/1  
G - Block, Bandra - Kurla Complex  
Bandra (East), Mumbai – 400 051**

Dear Sir/Madam,

**Sub: Outcome of Meeting - Approval of Un-audited Standalone Financial Results for the  
Quarter ended December 31, 2017 (Q3 of FY 2017-2018)**

**Ref: Security Symbol - ORCHIDPHAR**

In continuation to our letter dated April 11,2018 and in accordance with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we would like to inform that the Resolution professional at a meeting held on April 17,2018 has considered and taken on record the Standalone unaudited Financial Results of the Company for the Quarter ended December 31, 2017 (Q3 of FY 2017-2018).

A copy of the said unaudited financial results along with the Limited Review Report issued by the Statutory Auditors are enclosed.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,



L Chandrasekar  
Executive VP – Finance & Secretary

Encl.: a/a



# CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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**Independent Auditors' Review Report on Standalone Unaudited Financial Results of  
Orchid Pharma Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To

The Resolution Professional  
Orchid Pharma Limited  
"Orchid Towers"  
313 Valluvar Kottam High Road  
Nungambakkam, Chennai 600 034

1. The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP.No.CP/ 540/ (IB)/ CB/ 2017 dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration No. IBB/ IPA-001/ IP-P00015/ 2016-17/ 10039) has been appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

In view of pendency of the CIRP, and in view of suspension of the powers of board of directors and as explained to us, the powers of adoption of this standalone financial results vest with the RP.

2. We have reviewed the unaudited financial results of Orchid Pharma Limited (the "Company") for the quarter and nine months ended December 31, 2017 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2017' (the "Statement"). The Statement has been prepared by the Company's management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes.

The Statement is the responsibility of the Company's management/ IRP/ RP and we were informed that the Statement has been approved by the RP based on representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer and Key Management Personnel of the Company (Refer Note 1 to the unaudited standalone financial results). Further, the management/ IRP/ RP is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited balance sheet as at April 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended from time to time, prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.

Our responsibility is to issue a report on the Statement based on our review.



3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Without qualifying our review conclusion, we draw attention to the following matters:

- (a) Note 4 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from 1 April 2017 and accordingly, the Statement has been prepared by the Company's management in compliance with Ind AS.
- (b) We were neither engaged to review nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter and nine months ended on December 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter and nine months ended December 31, 2016. As set out in Note 5 to the Statement, these figures have been furnished by the management.
- (c) The financial statements of the Company for the year ended March 31, 2017 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another firm of chartered accountants under the Companies Act, 2013 who have expressed a modified opinion on those financial statements vide their report dated May 26, 2017.

5. We draw attention to the following matters:

- (a) Note 1, 2 and 3 to the unaudited financial results, regarding application by an operational creditor, initiating the insolvency provisions under the Insolvency and Bankruptcy Code, 2016 (the Code) and the consequential appointment of RP under the Code, and adequacy of disclosures concerning the Company's ability to meet its financial and contractual obligations including management's technical estimates in regard to realisation of value of inventories, overdue receivables (net of provisions) amounting to Rs.3,658.57 Lakhs, loans and advances given to various parties (net of provisions) amounting to Rs.68,821.22 Lakhs, loans and advances given to subsidiaries (net of provisions) Rs.5,079.33 Lakhs, provision for impairment, if any, required for non-monetary assets, investments, financial obligations including repayment of various loans, unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/ overdue creditors, for ensuring/ commencing normal operations and further investments required towards ongoing research and development projects under progress (carrying value Rs.1,431 Lakhs). Certain bank balances including bank borrowings and accrual of interest on such borrowings even after the date of admission of CIRP are yet to be confirmed by the banks and hence the possible impact, if any, is not presently ascertainable. The Company's net worth as on the reporting date is also negative. The possible erosion in the carrying value of investments and the recoverability of loans/ advances given to subsidiaries and related parties is not presently ascertainable considering the above CIRP process and the possible provision required, if any, is also not presently determinable. We were informed that the Company is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including non-provision of penal interest by the Company considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account.



Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Considering the aforesaid matters, the internal controls over financial reporting also needs to be further strengthened to make them commensurate with the size and nature of the business of the Company.

The above matters also essentially require the Company to resolve the situations specified therein within the framework specified through the CIRP. In the absence of any specific guidance or direction that can be assessed out of CIRP, material uncertainties exist that may cause significant doubt on the Company's ability to continue as a going concern. However, the appropriateness of preparation of financial results on a going concern basis is subject to resolution of the above matters through the CIRP or such other forum or manner as specified in note 1 to 3 to the financial results.

- (b) We have been informed by the RP that certain information including the minutes of the meetings of the Committee of Creditors and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with anyone, other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial, presentation and disclosure impacts, if any, that may arise if we have been provided access to review that information.

Our review conclusion has been qualified in respect of matters referred to clauses (a) and (b) above. Our review report for the previous quarters have also been qualified in this regard.

6. Based on our review conducted as above, except for the possible effects of the matters specified in Paragraph 5 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 read with SEBI circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



(CHINNSAMY GANESAN)  
Partner  
Membership No. 027501  
Place: Chennai  
Date: April 17, 2018



## Orchid Pharma Limited

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CIN : L24222TN1992PLC022994



Unaudited Financial Results for the Quarter and nine months ended December 31, 2017 under Ind AS

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter ended			Nine months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Income from Operations</b>						
1	(a) Net Sales / Income from operations	14,423.89	20,934.15	18,346.66	49,321.67	55,758.90
2	(b) Other Income (Net)	835.93	471.70	1,178.49	1,845.15	2,728.01
3	<b>Total Income (1+2)</b>	<b>15,259.82</b>	<b>21,405.85</b>	<b>19,525.15</b>	<b>51,166.82</b>	<b>58,486.91</b>
<b>Expenses</b>						
4	a) Consumption of raw materials	6,329.13	9,225.98	9,498.12	25,404.10	24,699.66
	b) Purchase of stock-in-trade	33.62	8.53	182.92	84.03	2,566.62
	c) Changes in inventories of finished goods, work in progress and stock in trade	(22.54)	2,087.24	(2,207.38)	702.44	(155.00)
	d) Employees benefits expense	1,953.50	1,973.32	1,993.41	6,118.47	5,902.79
	e) Finance Cost	7,617.66	7,545.10	7,279.09	22,251.28	21,603.87
	f) Depreciation and amortisation expense	3,347.83	3,363.85	3,524.06	10,072.45	10,449.53
	g) Excise Duty	-	-	348.38	483.25	819.45
	h) Other expenses	4,770.96	5,262.36	6,592.97	15,945.82	17,642.64
	<b>Total Expenses</b>	<b>24,030.16</b>	<b>29,466.38</b>	<b>27,211.57</b>	<b>81,061.84</b>	<b>83,529.56</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>(8,770.34)</b>	<b>(8,060.53)</b>	<b>(7,686.42)</b>	<b>(29,895.02)</b>	<b>(25,042.65)</b>
6	Exceptional items	-	-	-	-	(8,625.85)
7	<b>Profit before tax (5+6)</b>	<b>(8,770.34)</b>	<b>(8,060.53)</b>	<b>(7,686.42)</b>	<b>(29,895.02)</b>	<b>(33,668.50)</b>
<b>Tax expense</b>						
8	Current tax	-	-	-	-	-
	Deferred tax	(1,046.96)	(1,026.50)	(1,228.09)	(3,758.69)	(3,643.65)
	<b>Total Tax Expenses</b>	<b>(1,046.96)</b>	<b>(1,026.50)</b>	<b>(1,228.09)</b>	<b>(3,758.69)</b>	<b>(3,643.65)</b>
9	<b>Net profit for the period (7-8)</b>	<b>(7,723.38)</b>	<b>(7,034.03)</b>	<b>(6,458.33)</b>	<b>(26,136.33)</b>	<b>(30,024.85)</b>
<b>Other comprehensive income, net of income tax</b>						
10	a) (i) items that will not be reclassified to profit or loss	(39.65)	(37.50)	(42.35)	(118.42)	(122.22)
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	b) (i) items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total other comprehensive income, net of income tax</b>	<b>(39.65)</b>	<b>(37.50)</b>	<b>(42.35)</b>	<b>(118.42)</b>	<b>(122.22)</b>
11	<b>Total comprehensive income for the period (9+10)</b>	<b>(7,763.03)</b>	<b>(7,071.53)</b>	<b>(6,500.68)</b>	<b>(26,254.75)</b>	<b>(30,147.07)</b>
12	Paid-up equity share capital	8,896.43	8,896.43	8,896.43	8,896.43	8,896.43
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
13	Earning per share (Rs) (not annualised)					
	- Basic	(8.68)	(7.91)	(7.26)	(29.38)	(33.75)
	- Diluted	(8.68)	(7.91)	(7.26)	(29.38)	(33.75)

**Notes:**

1 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP.No. CP/ 540/ (IB)/ CB/ 2017 dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration no. IBB/IPA-001/IP-P00015/2016-17/10039) have been appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

In view of pendency of the CIRP, and in view of suspension of the powers of board of directors, the powers of adoption of this standalone financial results vest with the RP. The RP has relied upon the representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer and Key Management Personnel of the Company.

These unaudited financial results have been prepared by the management of the company and certified by Mr. K Raghavendra Rao, MD and Mr. L Chandrasekar, CFO in accordance with Regulation 33(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, confirming that the financial statements do not contain any misleading or false statements. The RP has, in review of the unaudited financial results and certifications, relied on the representations and statements made by MD and CFO in relation to these unaudited financial results. The RP has approved these unaudited financial results only to the limited extent of discharging the powers of the Board of Directors of the company which has been conferred upon him in terms of provisions of Section 17 of the Code. It is clarified, however, that the RP has not conducted an independent verification of these unaudited financial results and has not certified on the truthfulness, fairness, accuracy or completeness of these results, in so far as it pertains to the period prior to commencement of the CIRP and his appointment.

2 Further to the aforesaid CIRP (more fully described in note 1 above), the Company is in the process of making a comprehensive confirmation/ reconciliation of its financial/ contractual obligations, financial and non-financial assets including management's technical estimates in regard to realisation of value of inventories, overdue receivables, loans and advances given and other financial assets. The Company's ability to meet the financial/ contractual obligations including repayment of various loans, unpaid interest and ability to fund various obligations pertaining to operations for ensuring/ commencing normal operations and further investments required towards ongoing research and development projects under progress is dependent on the resolution of the aforesaid matters as part of the CIRP.

Under the CIRP, a resolution plan needs to be presented and approved by the Committee of Creditors ("CoC") and thereafter will need to be approved by NCLT to keep the company as a going concern. On February 9, 2018, the RP has invited submission of resolution plan from prospective eligible resolution applicants in Form-G, as per Regulation 36A(5) of the CIRP Amendment Regulation. The resolution plans shall be examined as to whether they meet the mandatory requirements of the Code and the Regulations and additional requirements as stipulated by the CoC. Pending this and measures to be adopted as part of the resolution process, the above unaudited financial results have been continued to be prepared on a going concern basis. This is a matter of qualification by the auditors.

3 As per the code, the RP has to receive, collate and admit all the claims submitted by the creditors of the company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. RP is in the process of collating and verifying such claims, as and when they are received, and subsequently admitting such verified claims against the company as per the code. Pending completion of the CIRP and approval of a resolution plan by the CoC, the impact of such claims that are not yet verified and admitted, if any, have not been considered in the preparation of the above unaudited financial results.



Handwritten signatures and initials.

**Orchid Pharma Limited**  
**Unaudited Financial Results for the Quarter and Nine months ended December 31, 2017 (contd..)**



- 4 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 01, 2017, the Company has for the first time adopted Ind AS with a transition date of April 01, 2016.
- 5 The Ind AS compliant financial results, pertaining to the quarter and nine months ended December 31, 2016 have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 7 The Statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 8 The company is operating in a single operating segment (i.e.) "Pharmaceuticals" and therefore there are no separate reportable segments in accordance with Ind AS 108 'Operating Segments'.
- 9 The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

Particulars	(Rupees in lakhs)	
	Quarter ended December 31, 2016	Nine months ended December 31, 2016
Net Profit as per previous GAAP (Indian GAAP)	(6,097.89)	(29,577.80)
<b>Ind AS Adjustments : Add/ (less)</b>		
Incremental depreciation due to re-classifications		
Gain on Fair valuation of Investments	(0.98)	1.89
Impact of re-measurement of financial instruments	(24.29)	(74.57)
Impact of straight lining of lease rentals	-	18.00
Remeasurement of Employee Benefit Expenses	(77.24)	(231.72)
Allowance for expected credit loss	(308.69)	(308.69)
Deferred Tax Impact on transitional adjustments	8.41	25.82
<b>Total Ind AS Adjustments</b>	<b>(402.79)</b>	<b>(569.27)</b>
<b>Total comprehensive income as per Ind AS</b>	<b>(6,500.68)</b>	<b>(30,147.07)</b>

This above reconciliation statements have been provided in accordance with circular CIR/CFD/FAC/2016 issued by issued SEBI dated July 5, 2016 on account of implementation of Ind AS by listed companies.

- 10 Exceptional Items for the Nine months ended December 31, 2016 represents write-off of hold back money and inventory related to Transfer of Penam and Penicillin Business during July 2014.

K Raghavendra Rao  
 Managing Director  
 DIN : 00010096

L. Chandrasekar  
 Chief Financial Officer & Company Secretary

Taken on record

Ramkumar Sripatham Venkatasubramanian  
 Resolution Professional  
 IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039

Place: Chennai  
 Date : April 17, 2018

*Initialed for identification purposes*

