

(Under Corporate Insolvency Resolution Process)

August 12, 2019

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

BSE Limited
Corporate Relationship Department
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai - 400 001
Security Symbol – 524372

Sub: Outcome of Meeting - Approval of Unaudited Financial Results (Standalone and Consolidated) for the Quarter ended June 30, 2019

Dear Sir/Madam

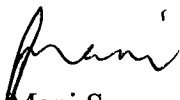
In accordance with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we would like to inform that the Resolution Professional at a meeting held on August 12, 2019 has considered and approved the Unaudited Financial Results (both Standalone and Consolidated) of the Company for the Quarter (Q1 of FY 2019-20) ended June 30, 2019.

A copy of the Unaudited Financial Results along with the Limited Review Report issued by the Statutory Auditors is enclosed.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,



Mani S
President –API, CSR&SH&E

Encl.: a/a

Orchid Pharma Limited

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

Statement of Unaudited Consolidated and Standalone Financial Results for the quarter ended June 30, 2019 under Ind AS

(Rs. in lakhs)

S.No	Particulars	Standalone financial results				Consolidated financial results for the	
		For the quarter ended		For the year ended		For the quarter ended	For the year ended
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)	June 30, 2019 (Unaudited)	March 31, 2019 (Audited)
	Income from Operations						
1	Net Sales / Income from operations	13,577.15	16,206.62	13,064.68	58,364.62	13,541.99	59,998.05
2	Other Income (Net)	515.21	448.41	426.79	1,692.84	515.21	1,692.84
3	Total Income (1+2)	14,092.36	16,655.03	13,491.47	60,057.46	14,057.20	61,690.89
4	Expenses						
	Cost of materials consumed	6,206.39	6,997.42	4,638.02	25,743.48	6,332.37	26,283.92
	Purchase of stock-in-trade - Traded goods	-	-	12.36	29.84	-	29.84
	Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods	430.45	1,018.15	2,110.13	2,042.71	244.05	2,656.07
	Employee benefit expenses	2,081.88	2,145.32	1,941.31	7,914.45	2,162.08	8,227.83
	Finance costs	-	-	1,354.89	29.96	-	29.96
	Depreciation and amortization expense	3,136.52	3,134.35	3,278.91	12,992.48	3,137.00	12,994.34
	Other expenses (Refer Note 5)	5,797.00	6,815.93	5,788.26	23,903.22	6,026.34	24,620.95
	Total Expenses	17,652.24	20,111.17	19,123.88	72,656.14	17,901.84	74,842.91
5	Profit/ (loss) before exceptional items and tax (3-4)	(3,559.88)	(3,456.14)	(5,632.41)	(12,598.68)	(3,844.64)	(13,152.02)
6	Exceptional items (Refer Note 4)	-	2,111.63	1,032.46	2,493.55	-	20,092.81
7	Profit/ (loss) before tax (5+6)	(3,559.88)	(1,344.51)	(4,599.95)	(10,105.13)	(3,844.64)	6,940.79
8	Tax expense						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	0.83	-	-	-
	Total Tax Expenses	-	-	0.83	-	-	-
9	Profit/ (loss) for the period from continuing operations (7-8)	(3,559.88)	(1,344.51)	(4,600.78)	(10,105.13)	(3,844.64)	6,940.79
10	Profit / (Loss) from discontinued operations	-	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-	-
12	Profit / (Loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-	-
13	Profit/ (loss) for the period (9+12)	(3,559.88)	(1,344.51)	(4,600.78)	(10,105.13)	(3,844.64)	6,940.79
14	Other comprehensive income , net of income tax						
	a) (i) items that will not be reclassified to profit or loss	19.98	29.73	17.23	90.39	22.61	90.39
	(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	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	19.98	29.73	17.23	90.39	22.61	90.39
15	Total comprehensive income/ (loss) for the period (13+14)	(3,539.90)	(1,314.78)	(4,583.55)	(10,014.74)	(3,822.03)	7,031.18
16	Paid-up equity share capital	8,896.43	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	10.00
17	Earning per share (Rs) (not annualised)						
	- Basic	(4.00)	(1.51)	(5.17)	(11.36)	(4.32)	7.80
	- Diluted	(4.00)	(1.51)	(5.17)	(11.36)	(4.32)	7.80

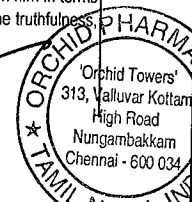
Notes:

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. Rannkumar 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.

The Resolution Plan filed by the RP has been approved by the Hon'ble NCLT vide its order dated 25th/ 27th of June, 2019. However, on a partition filed by one of the resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has stayed the implementation of the resolution plan until further orders and has directed the Interim Resolution Professional ("RP") to ensure that the Corporate Debtor remains as a going concern. The Hon'ble NCLAT had listed the matter for hearing on August 28, 2019.

These unaudited financial results for the quarter ended June 30, 2019 have been prepared by the management of the Company and certified by Mr. K Raghavendra Rao, MD 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 unaudited financial results were placed before the RP, the MD on August 12, 2019 for their consideration. Accordingly, the unaudited financial results were considered and recommended in the meeting. In view thereof, the RP, in reliance of such examination by and the representations, clarifications and explanations provided by MD in relation to these unaudited financial results, has approved the same. 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 (i.e. August 17, 2017) and his appointment.

[Handwritten Signature]



In view of pendency of the CIRP, the further developments stated above and in view of suspension of the powers of board of directors, the powers of adoption of the unaudited financial results for the quarter ended June 30, 2019 vest with the RP under the Insolvency & Bankruptcy Code, 2016 (IBC).

- 2 Further to the aforesaid CIRP (more fully described in note 1 above), the Company is in the process of obtaining confirmation for receivables, loans and advances given, payables, employee claims and bank loans as at June 30, 2019. 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 dependant on the resolution of the aforesaid matters as part of the CIRP.

As aforesaid, the Hon'ble NCLAT has stayed the implementation of the resolution plan until further orders listed the matter for hearing on August 28, 2019.

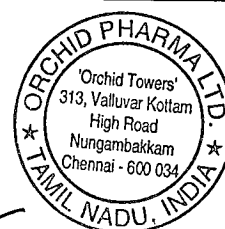
Pending this and measures to be adopted as part of the resolution process, the above financial results have been continued to be prepared on a going concern basis.

This is a matter of qualification by the auditors.

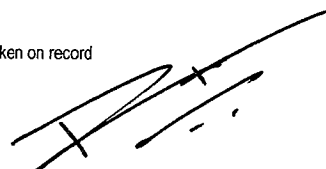
- 3 The RP has received the claims from the creditors of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (as amended). The status of these claims may be found at the following link:
<http://www.orchidpharma.com/downloads-cirp.aspx>
- 4 Exceptional items presented in the above Statement of Consolidated and Standalone unaudited financial results for the quarter ended June 30, 2018, March 31, 2019 and for the year ended March 31, 2019 represents net of: reversal of interest accrued and provided for the financial creditors post commencement of the Corporate Insolvency Process date, reversal of exchange rate fluctuation on capital advances and advances to suppliers and cash credit interest included in Outstanding liabilities, reduction in foreign currency loan liability on conversion to rupee loan by the banks.
- 5 The Other expenses includes loss of INR 456.67 Lakhs on account of forex loss for quarter ended June 30, 2019 (Q1 FY 2018-19 - INR 1,720.46 Lakhs). This includes loss of INR 352.91 Lakhs (Q1 FY 2018-19 - INR 1,980.37 Lakhs) on account of ECB loan and Loss of INR 103.76 Lakhs (Q1 FY 2018-19 - Gain of INR 259.90 Lakhs) on account of operations. Based on the limited information provided by the company and subsidiaries to the RP, the Subsidiaries are loss making and does not generate sufficient cash flows to meet the liabilities owed by them. The Company has a debtor balance of INR 2,225.17 Lacs in the standalone financial statements owed by the subsidiaries out of which provision is made for an amount of INR 1041.02 Lacs as doubtful debtors
- 6 The statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies generally accepted in India, to the extent applicable.
- 7 The value of claims lodged by the Financial Creditors includes Foreign Currency Term Loan availed by the Company from consortium of Banks led by Axis Bank, admitted under CIRP commencement date amounting to INR Rs.51,672.27 Lakhs and the same is carried in the Balance sheet at a value of Rs.55,923.40 Lakhs, arrived at by restating the Foreign currency value of the loan to the extent admitted with the closing exchange rate as on June 30, 2019. If this loan is stated at the INR value as admitted under CIRP there will be a net gain of Rs.3,486.64 Lakhs after setting off the Foreign Currency Monetary Item Translation Difference carried under "other equity" in respect of this loan.
- 8 The format for audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 9 The figures for the quarter ended March 31, 2019 are the balancing figure between the audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures upto the third quarter of the previous financial year had only been reviewed and subjected to audit.
- 10 In terms of the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended, the Company has disclosed Consolidated quarterly results from the current quarter ended June 30, 2019 and accordingly, no comparative figures have been provided for the other interim periods.
- 11 The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.



K Raghavendra Rao
Managing Director
DIN : 00010096



Taken on record



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

Place: Chennai
Date : 12-08-2019

Initialled for identification purposes



CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

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

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

S. NEELAKANTAN
B.Com., FCA

R. THIRUMALMARUGAN
M.Com., FCA

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

V. VIVEKANAND
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Limited Review Report on the Standalone Unaudited Financial Results for the Quarter ended June 30, 2019 of M/s
Orchid Pharma Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015

To

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

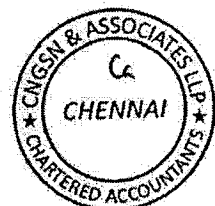
1. The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency 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 Hon'ble NCLT with effect from October 27, 2017.

The Resolution Plan filed by the RP has been approved by the Hon'ble NCLT vide its order dated 25th/ 27th of June 2019. However, on a petition filed by one of the resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has stayed the implementation of the resolution plan until further orders and has directed the Interim Resolution Professional ("RP") to ensure that the Corporate Debtor remains as a going concern. The Hon'ble NCLAT had listed the matter for hearing on August 28, 2019.

In view of pendency of the CIRP, the further developments stated above and in view of suspension of the powers of board of directors, it was explained to us that the powers of adoption of the unaudited financial results for the quarter ended June 30, 2019 vest with the RP.

2. We have reviewed the unaudited standalone financial results of M/s Orchid Pharma Limited ("the Company") for quarter ended June 30, 2019, which are included in the accompanying 'Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2019 together with the notes thereon ("the Statement").

This Statement is being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No.CIR/ CFD/ CMD1/ 44/ 2019 dated March 29, 2019 which has been initialed by us for identification purposes.



The Statement which is the responsibility of the Company's management and approved by the IRP based on representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer and Key Management Personnel of the Company (Refer Note 1 and 2 to the statement) has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

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

3. We conducted our review in accordance with the Standards 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.

Attention is drawn to the fact that the figures for the 3 months ended March 31, 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

4. 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.
5. We draw attention to the following matters:
 - (a) Note 1 and 2 to the unaudited standalone and consolidated financial results, regarding application by an operational creditor, provisions under the Insolvency and Bankruptcy Code, 2016 ("the Code") and the consequential appointment of the 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. 2,338.09 Lakhs, loans and advances given to various parties (net of provisions) amounting to Rs.73,858.54 Lakhs (which includes capital advances of Rs.52,206.06 and other advances of Rs.21,652.48 Lakhs), provision for impairment, if any, required for property, plant and equipment (PPE), PPE under development, internally generated intangible assets comprising of DBF/ ANDA, other non-monetary assets, investments, unamortised finance charges, claims made by/ advances given to employees, financial obligations including repayment of various loans, unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/ overdue creditors together with the balances lying in the accumulated ERF, for ensuring/ commencing normal operations and further investments required towards ongoing research and development projects under progress (carrying amount of Rs.1,431 Lakhs).

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

- (b) Confirmation of balances are not available for majority of the trade receivables, loans and advances given, trade payables, claims received from the employees, bank balances and bank loans as at June 30, 2019. Pursuant to the CIRP, the Company stopped providing interest on bank borrowings for the current year, after the CIRP commencement date and reversed the interest already accounted in the earlier years over and above the amount approved by the RP. In the absence of the confirmation of balances, the possible adjustments, if any, required in the Statement are not presently determinable.



- (c) We have not been provided with sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.
- (d) The value of claims lodged by the Financial Creditors includes Foreign Currency Term Loan availed by the Company from consortium of Banks led by Axis Bank, admitted under CIRP commencement date amounting to INR is Rs.51,672.27 Lakhs and the same is carried in the Balance sheet at a value of Rs.55,923.41 Lakhs, arrived at by restating the foreign currency value of the loan to the extent admitted with the closing exchange rate as on June 30, 2019. If this loan is stated at the INR value as admitted under CIRP, there will be a net gain of Rs.3,486.64 Lakhs after setting off the Foreign Currency Monetary Item Translation Difference account carried under "other equity" in respect of this loan.

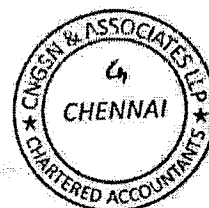
Pending completion of the CIRP process and related confirmation by Axis Bank, no adjustment is made in the financial statements in respect of the above.

- (e) The Company's net worth as on the reporting date is negative. Since the outcome of the Resolution Plan will be depended upon the order of the Hon'ble NCLAT as more fully explained in Para 1 above, 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 the outcome of the final NCLAT order and the successful implementation of a resolution plan as may be approved by the Hon'ble NCLT or such other manner as specified in note 1 to 3 to the unaudited financial results.
- (f) We have been informed by the RP that certain information including the minutes of the meetings of the Committee of Creditors, cases filed by RP against the key management personnel, suppliers, customers and other parties 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. We have not been provided with sufficient, appropriate audit evidence also in respect of avoidance applications filed under the IBC Code by the RP due to the confidentiality involved.

In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact of the successful implementation of the resolution plan.

Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of those information.

- (g) Our review conclusion has been qualified in respect of matters referred to clauses (a) to (f) above. The above matters have also been qualified in our limited review reports of the earlier quarters.



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, as amended read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

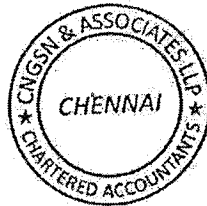
For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

Chinnamy Ganesan

(CHINNSAMY GANESAN)
Partner

Membership No. 027501

UDIN : 19027501AAAAC40006



Place: Coimbatore
Date: August 12, 2019



CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

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

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**Limited Review Report on the Consolidated Unaudited Financial Results for the Quarter ended June 30, 2019
of M/s Orchid Pharma Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

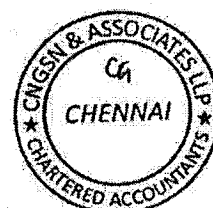
To

The Interim Resolution Professional
(under the instructions of the Interim Monitoring Committee)
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. GP/ 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 Hon'ble NCLT with effect from October 27, 2017.

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In view of pendency of the CIRP, the further developments stated above and in view of suspension of the powers of board of directors, it was explained to us that the powers of adoption of the unaudited financial results for the quarter ended June 30, 2019 vest with the RP.



2. We have reviewed the unaudited consolidated financial results of M/s Orchid Pharma Limited ("the Group") for quarter ended June 30, 2019, which are included in the accompanying 'Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2019 together with the notes thereon ("the Statement").

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The Statement is the responsibility of the Group's management and approved by the IRP based on representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer and Key Management Personnel of the Company (Refer Note 1 and 2 to the statement) has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

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

3. We conducted our review in accordance with the Standards 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.
4. 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.
5. We draw attention to the following matters:
 - (a) Note 1 and 2 to the unaudited standalone and consolidated financial results, regarding application by an operational creditor, provisions under the Insolvency and Bankruptcy Code, 2016 ('the Code') and the consequential appointment of the RP under the Code, and adequacy of disclosures concerning the Group'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. 2,338.09 Lakhs, loans and advances given to various parties (net of provisions) amounting to Rs. 73,858.54 Lakhs (which includes capital advances of Rs.52,206.06 and other advances of Rs. 21,652.48 Lakhs), provision for impairment, if any, required for property, plant and equipment (PPE), PPE under development, internally generated intangible assets comprising of DBF/ ANDA, other non-monetary assets, investments, unamortised finance charges, claims made by/ advances given to employees, financial obligations including repayment of various loans, unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/ overdue creditors together with the balances lying in the accumulated ERF, for ensuring/ commencing normal operations and further investments required



towards ongoing research and development projects under progress (carrying amount of Rs.1,431 Lakhs).

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

- (b) Confirmation of balances are not available for majority of the trade receivables, loans and advances given, trade payables, claims received from the employees, bank balances and bank loans as at June 30, 2019. Pursuant to the CIRP, the Group stopped providing interest on bank borrowings for the current year, after the CIRP commencement date and reversed the interest already accounted in the earlier years over and above the amount approved by the RP. In the absence of the confirmation of balances, the possible adjustments, if any, required in the Statement are not presently determinable.
- (c) We have not been provided with sufficient, appropriate audit evidence relating to physical verification of fixed assets/ related reconciliation with the books of account. Accordingly, we are unable to comment on the possible impact, if any, arising out of the above matters.
- (d) The value of claims lodged by the Financial Creditors includes Foreign Currency Term Loan availed by the Group from consortium of Banks led by Axis Bank, admitted under CIRP commencement date amounting to INR is Rs.51,672.27 Lakhs and the same is carried in the Balance sheet at a value of Rs.55,923.41 Lakhs, arrived at by restating the foreign currency value of the loan to the extent admitted with the closing exchange rate as on June 30, 2019. If this loan is stated at the INR value as admitted under CIRP, there will be a net gain of Rs.3,486.64 Lakhs after setting off the Foreign Currency Monetary Item Translation Difference account carried under "other equity" in respect of this loan.
- Pending completion of the CIRP process and related confirmation by Axis Bank, no adjustment is made in the financial statements in respect of the above.
- (e) The Group's net worth as on the reporting date is negative. Since the outcome of the Resolution Plan will be depended upon the order of the Hon'ble NCLAT as more fully explained in Para 1 above, material uncertainties exist that may cause significant doubt on the Group's ability to continue as a going concern. However, the appropriateness of preparation of financial results on a going concern basis is subject to the outcome of the final NCLAT order and the successful implementation of a resolution plan as may be approved by the Hon'ble NCLT or such other manner as specified in note 1 to 3 to the unaudited financial results.



- (f) We have been informed by the RP that certain information including the minutes of the meetings of the Committee of Creditors, cases filed by RP against the key management personnel, suppliers, customers and other parties 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. We have not been provided with sufficient, appropriate audit evidence also in respect of avoidance applications filed under the IBC Code by the RP due to the confidentiality involved.

In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact of the successful implementation of the resolution plan.

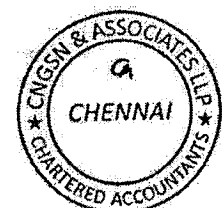
Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of those information.

- (g) The consolidated financial results for the quarter ended June 30, 2019 include the financial results for the quarter ended June 30, 2019, of the following subsidiary companies:
- a. Orchid Europe Limited, UK
 - b. Orchid Pharmaceuticals Inc., USA
 - c. Bexel Pharmaceuticals Inc., USA
 - d. Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa
 - e. Diakron Pharmaceuticals, Inc. USA

We have not carried out any review of the financial results of the above subsidiaries for the quarter ended June 30, 2019 that reflect total assets of Rs.2,109.93 lakhs and net assets of Rs. (10,189.40) lakhs as at June 30, 2019, total revenue of Rs. 169.86 lakhs and total comprehensive income (comprising of loss and other comprehensive income) of Rs. (284.75) lakhs for the quarter ended on that date, as considered in the Statement.

The financial results of the subsidiaries are unaudited and not limited reviewed and have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on such unaudited financial results. Accordingly, we do not express any opinion on the completeness and true and fair view of the unaudited results, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries as at June 30, 2019 included in the above Statement.

- (h) Our review conclusion has been qualified in respect of matters referred to clauses (a) to (g) above. The above matters have also been qualified in our limited review reports of the earlier quarters.



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



Chinnamy Ganesan

(CHINNSAMY GANESAN)

Partner

Membership No. 027501

UDIN: 19027501 AAAAAC4006

Place: Coimbatore

Date: August 12, 2019