

October 21, 2020

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 NSE Symbol: ORCHIDPHAR	BSE Limited Corporate Relationship Department 1st floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai - 400 001 BSE Code: 524372	Luxembourg Stock Exchange Bourse de Luxembourg BP 165, L-2011 Luxembourg Siege social 11, avenue de la Porte-Neuve
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Sub: Issue of 14,300 Zero coupon unsecured and non-marketable Optionally Convertible Debentures of Rs.1,00,000/- each pursuant to approved Resolution plan-Reg.

Dear Sir/Madam

With reference to the captioned subject, we refer to our letter dated April 01, 2020 submitted to your good office wherein we had intimated your good office regarding the issue of 14,300 Zero coupon unsecured and non-marketable Optionally Convertible Debentures (OCDs) of value of Rs. 1,00,000 each aggregating to Rs. 143 crores (Rupees One hundred and forty three crores) to M/s Dhanuka Laboratories Limited ~ the Resolution Applicant on March 31, 2020 pursuant to the Resolution plan approved for the Company.

In furtherance of the above communication, the terms and conditions of the Zero coupon unsecured and non-marketable Optionally Convertible Debentures issued on March 31, 2020 are enclosed herewith.

Kindly take the above on your records.

Thanking you,

Yours faithfully,

For Orchid Pharma Limited



Manish Dhanuka
Managing Director



Encl.: a/a

**Terms and Conditions of issue of 14,300 Zero coupon unsecured and non-marketable
Optionally Convertible Debentures ("OCDs") as per approved Resolution plan**

The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its order dated June 25/27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its Order dated November 13, 2019 and the Hon'ble Supreme Court vide its Order dated February 28, 2020 (received on March 02, 2020) has approved the Resolution plan ("Resolution Plan") of Dhanuka Laboratories Limited (DLL) under MA /579 /2019 in CP /540 /IB /2017 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. In accordance with the approved Resolution plan, the Monitoring Committee had approved and issued 14,300 Optionally Convertible Debentures (OCDs) of value of Rs. 1,00,000 each aggregating to Rs. 143 crores (Rupees One hundred and forty three crores) DLL ~ the Resolution Applicant. The terms and conditions pertaining to issue of unsecured, non-marketable, 0% Optionally Convertible Debentures are enumerated herewith:

1. Zero Coupon 14,300 Optionally Convertible Debentures (OCDs) of value of Rs. 1,00,000 each aggregating to Rs. 143 crores (Rupees One hundred and forty three crores) will be allotted to DLL ~ the Resolution Applicant as per the approved Resolution Plan on Private Placement basis. That the proposed allotment of 14,300 OCDs of Rs. 1,00,000 (Rupees One Lakh) each aggregating to Rs. 143 Crores (Rupees One hundred and forty three crores) is not to be made for consideration other than cash and entire amount is payable to the company on or before allotment. The OCDs shall be unsecured and non-marketable and the OCDs by themselves do not give to the holder thereof any rights of a shareholder of the Company.

2. **Face Value:** Each OCD shall have a face value of Rs. 1,00,000 (Rupees One Lakh Only) with an issue price of Rs. 1,00,000 (Rupees One Lakh Only).

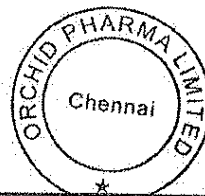
3. OCDs Tenor

(a) The tenure of OCDs shall be 10 (Ten) years or such further period as may be mutually discussed between OPL and OCDs holder ("Tenor").

(b) During the Tenor, OCDs holder at any point of time commencing after completion of One (1) year from the date of allotment shall have the option to fully or partly convert, in one or more tranches, OCDs into equity shares or alternatively shall also have the right to intimate OPL about its willingness to not convert whole or any part of such OCDs into equity shares and seek redemption of OCDs.

4. OCDs Coupon and Redemption

(a) The OCDs shall carry zero coupon interest.



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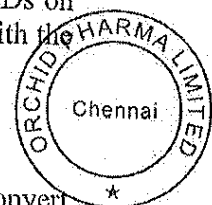
- (b) In a situation wherein the OCDs holder intimates OPL about its willingness to not convert whole or any part of such OCDs into equity shares, then the principal amount of such OCDs shall be repayable to the OCDs holder within a period of 1 (one) month from the date of such intimation by the OCDs holder along with redemption premium of atleast 11% IRR on annual basis from the date of Issuance on the principal amount of OCDs or such higher amount as the Board of Directors of OPL decides after considering the market price of shares of OPL and achievement of EBITDA by OPL, provided that in no event, the redemption premium shall exceed 18% IRR on an annual basis ("OCDs Redemption Coupon"), unless otherwise agreed to between OPL and the OCDs holder.
- (c) The OCDs Redemption Coupon basis the achievement of EBITDA shall be as follows:

Date	EBITDA	Redemption Premium	EBITDA	Redemption Premium
31 st March 2024	190	15%	210	18%
31 st March 2025	193	15%	213	18%
31 st March 2026	195	15%	215	18%

- (d) For the aforesaid redemption, the OCDs holder shall issue a notice to OPL ("Redemption Notice") at any time during the Tenor requesting redemption of all or part of the OCDs, on the date designated as the Redemption Date in the Redemption Notice, together with relevant documents as would be necessary for such redemption. All amounts shall be paid through NEFT/RTGS or wire transfers through normal banking channels.
- (e) The OCDs Redemption Coupon shall be made after withholding tax in accordance with applicable laws.
- (f) Notwithstanding anything contained herein, it is expressly agreed that redemption of OCDs or payment of OCDs Redemption Coupon is subject to OPL having free cash flows and subject to approval of secured lenders, if any.
- (g) Subject to provisions of these terms and conditions, in the event that neither the Conversion Notice nor the Redemption Notice is received by OPL atleast 15 before the expiry of Tenor, then OPL shall redeem all the outstanding OCDs on the date of expiry of Tenor and pay the principal amount of OCDs along with the amount payable in terms of OCDs Redemption Coupon.

5.OCDs Conversion

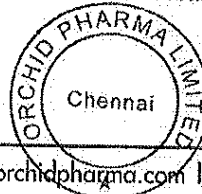
- (a) The OCDs holder, any time during the Tenor, shall have the right to convert whole or any part of OCDs into equity shares of rupees 10/- each at par of OPL



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("OCDs Conversion Shares") and accordingly, each OCD of Rupees One Lakh will be converted into 10,000 fully paid equity shares having face value of Rs. 10 each ("OCD Conversion Ratio").

- (b) The said OCDs are restricted for sale or transfer without the written consent of the Company.
- (c) For the aforesaid conversion, the OCDs holder shall issue a notice to OPL ("Conversion Notice") at any time during the Tenor requesting conversion of all or part of the OCDs into OCDs Conversion Shares, on the date designated as the Conversion Date in the Conversion Notice, together with relevant documents (including original OCDs certificate) as would be necessary for such conversion and such conversion shall be completed within a month, (excluding the time period that may be needed and taken by the Company to get any consent or approval or permission from Stock Exchanges where the Equity Shares are listed, MCA, SEBI and /or such other Regulatory Body /Agency as may be needed for crediting the shares in the Demat Account & for admission and trading of the equity shares in the Stock Exchanges) of the date of receipt of the Conversion Notice.
- (d) On the Conversion Date, OPL shall subject to terms referred in Item 5 (c) above or mentioned anywhere else:
- take all actions with respect to the allotment of such number of OCDs Conversion Shares to the OCDs holders's demat account at the OCDs Conversion Ratio, free from any encumbrance and together with all rights as attached to them;
 - pay all stamp duty or similar taxes (if any), except any taxes applicable under the Income Tax Act, 1961, on the conversion and issue of the OCDs Conversion Shares and indemnify the OCDs holder against any liability for such duty or taxes and any costs, claims and expenses resulting from any failure to pay the same;
 - register the name of the OCDs holder as the legal and beneficial owner of the OCDs Conversion Shares in the register of equity shareholders;
- (e) The OCDs Conversion Shares shall be issued and allotted to the OCDs holder free and clear of all encumbrances and shall, when allotted to the OCDs holder be credited as fully paid-up and will rank *pari passu* in all respects and identical with the then existing equity shares of OPL, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/ or rights issuance.
- (f) OPL shall make all necessary filings and disclosures with the appropriate authorities in respect of the issue and allotment of the OCDs Conversion Shares pursuant to the conversion of the OCDs (as would be necessary under the then applicable law).

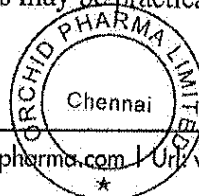


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- (g) OPL shall not, by amendment of its charter documents (including its articles of association) or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by OPL, but will at all times in good faith assist in the carrying out of all the provisions of these terms and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of OCDs holders against impairment.

(h) Conversion Term Adjustment based on certain event

- i. If OPL should at any time fix a Record Date /Book Closure for the effectuation of a split or subdivision of the outstanding equity shares or the determination of holders of equity shares entitled to receive a distribution payable in additional equity shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional equity shares (hereinafter referred to as "Equity Shares Equivalents") without payment of any consideration by such holder for the additional equity shares or the Equity Shares Equivalents (including the additional equity shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the conversion terms of the OCDs shall be appropriately modified so that the number of equity shares issuable on conversion of each OCDs shall be increased in proportion to such increase of the aggregate of equity shares outstanding and those issuable with respect to such Equity Shares Equivalents.
- ii. If the number of equity shares outstanding at any time is decreased by a combination/ consolidation of the outstanding equity shares, then, following the record date of such combination/ consolidation, the conversion terms for the OCDs shall be appropriately modified so that the number of equity shares issuable on conversion of each OCD shall be decreased in proportion to such decrease in outstanding shares.
- iii. If at any time or from time to time, there shall be a recapitalization or reclassification of the equity shares (including any such reclassification in connection with a consolidation or merger in which OPL is the continuing corporation), provision shall be made so that the holders of the OCDs shall thereafter be entitled to receive upon conversion of the OCD, the number of shares or other securities or property of OPL or otherwise, to which a holder of equity shares deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the conversion provisions with respect to the rights of the holders of the OCD after the recapitalization to the end that the conversion provisions (including adjustment of the conversion terms then in effect and the number of shares issuable upon conversion of the OCDs) shall be applicable after that event as nearly equivalent as may be practicable.



M. Mahalingam

- iv. Upon the occurrence of each adjustment of the conversion terms of the OCDs, OPL, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of the OCD a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. OPL shall, upon the written request at any time of any holder of OCD, furnish or cause to be furnished to such holder a certificate setting forth (i) such adjustment and readjustment, (ii) the conversion terms for such OCD at the time in effect, and (iii) the number of equity shares and the amount, if any, of other property that at the time would be received upon the conversion of a share of OCD.
- (v) In the event that, for any reason whatsoever, the provisions hereof cannot be effectuated (either fully or partially), then, OPL and OCD holders shall endeavour in good faith to achieve the commercial intent of the aforesaid provisions to the maximum extent possible.

6.OCDs Transferability

- (a) OCDs shall be transferable only with the prior permission of the Board of Directors of OPL. It is however, clarified that such OCDs shall not be listed on any stock exchange in India or elsewhere at any time during the Tenor and only the equity shares arising on the conversion, if any, shall be entitled to be listed.
- (b) OCDs holder shall give a notice period of atleast 15 (fifteen) business days prior to the proposed transfer of such OCDs to any third party to allow OPL to conduct and convene its Board meeting.

For **Orchid Pharma Limited**

Manish Dhanuka

Manish Dhanuka
Member of the Monitoring Committee

