

December 06, 2023

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051
Symbol: **ORCHPHARMA**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001
Scrip Code: **524372**

Subject: Disclosure under Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 — Approval of Scheme of Amalgamation and Arrangement

Dear Sir / Madam,

In compliance with the provisions of Regulation 30 read with Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, we wish to inform that the Board of Directors of Orchid Pharma Limited (“**Company**”) at its meeting held today, i.e., December 06, 2023 (commenced at 12.00 Noon and concluded at 2.15 p.m.), has considered and approved a draft Scheme of Amalgamation and Arrangement between Dhanuka Laboratories Limited (“**DLL**”), the Company and their respective shareholders and creditors, as may be modified from time to time (“**Scheme**”) under Sections 230 to 232 of the Companies Act, 2013.

The Scheme is subject to receipt of approvals from the shareholders and creditors of the each of the Companies as may be directed by the jurisdictional National Company Law Tribunal (“**NCLT**”), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required.

The Audit Committee and the Independent Directors Committee of the Company have furnished their reports to the Board recommending the Scheme.

A Valuation Report dated December 06, 2023 issued by M/s. SSPA & Co. Chartered Accountants (Registered Valuer) has been obtained for the aforesaid Scheme.

A Report on Fairness Opinion dated December 06, 2023 issued by M/s. Fortress Capital Management Services Private Limited, a SEBI Registered (Category-I) Merchant Banker providing the fairness opinion on the Share Exchange Ratio as recommended by the M/s SSPA & Co. (Registered Valuer) under the Valuation Reports, have been procured by the Company.

Details as required under Regulation 30 of the SEBI Listing Regulations as amended, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 are enclosed herewith and marked as Annexure I.

Kindly take the above information on your records.

Thanking you,
For **Orchid Pharma Limited**

Marina Peter
Company Secretary & Compliance Officer
Encl.: As stated above

Annexure I

Disclosures relating to the Amalgamation of Dhanuka Laboratories Limited with and into Orchid Pharma Limited pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023:

Sr. No.	Particulars	Details									
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>Name of entities forming part of Scheme of Amalgamation</p> <p>Orchid Pharma Limited (“Orchid Pharma”) — CIN: L24222TN1992PLC022994</p> <p>Dhanuka Laboratories Limited (“DLL”) — CIN: U24100TN1993PLC149053</p> <p>Details of Size and Turnover as on September 30, 2023</p> <p align="right">(Rs in Crore)</p> <table border="1"> <thead> <tr> <th>Name of Entity</th> <th>Net Worth (standalone)</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>Orchid Pharma Limited</td> <td>1153.63</td> <td>381.68</td> </tr> <tr> <td>DLL</td> <td>267.97</td> <td>277.95</td> </tr> </tbody> </table>	Name of Entity	Net Worth (standalone)	Turnover	Orchid Pharma Limited	1153.63	381.68	DLL	267.97	277.95
Name of Entity	Net Worth (standalone)	Turnover									
Orchid Pharma Limited	1153.63	381.68									
DLL	267.97	277.95									
2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	<p>Yes, the transaction would be a related party transaction.</p> <p>The consideration for the amalgamation will be discharged on “arm’s length” basis.</p> <p>The share exchange ratios for the shares to be allotted to the shareholders of DLL as a consideration for the amalgamation are based on Valuation Report dated December 06, 2023 issued by M/s. SSPA & Co., Chartered Accountants, Independent Registered Valuer and a Report on Fairness Opinion dated December 06, 2023 issued by M/s. Fortress Capital Management Services Private Limited, a SEBI Registered (Category-I) Merchant Banker. The Merchant Banker have confirmed the share exchange ratios recommended by the Registered Valuer under the Valuation Report. The aforesaid Valuation Report and Fairness Opinion Report have been duly considered and approved by the Audit Committee, Committee of Independent Directors and the Board of Directors of Orchid Pharma Limited and DLL.</p>									
3	Area of business of the entity(ies)	Orchid Pharma is an active pharmaceutical ingredients (“API”), engaged in the business of developing, marketing widest portfolio of anti-biotics along with a few veterinary products. The Company supplies its products in both domestic and overseas									

		<p>market to various pharmaceutical companies and pharmaceutical agents.</p> <p>DLL is primarily engaged in the business of manufacturing and marketing of diverse bulk actives of various drugs.</p>
4	Rational for amalgamation/merger	<p>i) The proposed amalgamation is in accordance with resolution plan dated May 16, 2019 which, <i>inter alia</i>, provides as under — <i>“The Resolution Applicant plans to merge into the Corporate Debtor after the acquisition, which will result in creation of much larger company which will have a potential to reach a sales turnover of up to Rs. 1400-1500 crores with EBITDA of Rs. 200 to Rs. 250 crores, thereby creating a high value company in the future.”</i></p> <p>ii) Amalgamating Company and Amalgamated Company are engaged in the similar business. The amalgamation will ensure focused management in the combined entity thereby resulting in efficiency of management and maximizing value for the shareholders.</p> <p>iii) The proposed amalgamation in accordance with the terms of this Scheme would enable both the companies to realize benefits of greater synergies between their businesses, achieve wider product offerings and geographical footprints, consolidating operations thereby leveraging the capability of Amalgamated Company, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources (including stronger market presence) of each other in the interest of maximizing value to their shareholders and the stakeholders.</p> <p>iv) This enhanced value maximization shall result in a stronger balance sheet which will attract investors.</p> <p>v) Elimination of conflict of interest between both Amalgamating Company and Amalgamated Company as both are undertaking similar business.</p> <p>vi) Ensuring a streamlined group structure by reducing the number of legal entities in the group structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate Companies.</p> <p>vii) The amalgamation would result in improved competitive position of the Amalgamated Company</p>

		as a combined entity and achieving economies of scale.									
5	In case of cash consideration - amount or otherwise share exchange ratio	<p>The Scheme does not involve payment of any cash consideration.</p> <p>The share exchange ratio for the amalgamations are as under:</p> <p>Amalgamation of DLL into and with the Orchid Pharma :</p> <p>Upon coming into effect of the Scheme and in consideration for the Amalgamation of DLL into and with the Company pursuant to the Scheme, the Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of DLL as on the Record Date 161 (One Hundred Sixty One) equity shares of OPL of INR 10 each fully paid up for every 5 (Five) equity shares of DLL of INR 100 each fully paid up.</p>									
6	Brief details of change in shareholding pattern (if any) of listed entity	<p>There will be a change in the shareholding pattern of the Orchid Pharma pursuant to the Scheme, in accordance with the share exchange ratio.</p> <p>Indicative shareholding pattern of the Orchid Pharma, post the amalgamation of DLL into and with the Orchid Pharma in accordance with the Scheme, is set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Category</th> <th style="width: 35%;">Pre Scheme Shareholding of Orchid Pharma Limited</th> <th style="width: 35%;">Post Scheme Shareholding of Orchid Pharma Limited</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td style="text-align: center;">69.84%*</td> <td style="text-align: center;">74.45%</td> </tr> <tr> <td>Public</td> <td style="text-align: center;">30.16%</td> <td style="text-align: center;">25.55%</td> </tr> </tbody> </table>	Category	Pre Scheme Shareholding of Orchid Pharma Limited	Post Scheme Shareholding of Orchid Pharma Limited	Promoter and Promoter Group	69.84%*	74.45%	Public	30.16%	25.55%
Category	Pre Scheme Shareholding of Orchid Pharma Limited	Post Scheme Shareholding of Orchid Pharma Limited									
Promoter and Promoter Group	69.84%*	74.45%									
Public	30.16%	25.55%									

**as on date the shareholding of M/s Dhanuka Laboratories Limited – sole Promoter & Promoter Group of Orchid Pharma Limited is 69.84%.*

The shareholding of M/s Dhanuka Laboratories Limited as on September 30, 2023 was 72.40%. However the M/s Dhanuka Laboratories Limited sold 13,00,000 equity shares (constituting 2.56% shareholding) on November 28, 2023 and consequently the current shareholding of M/s Dhanuka Laboratories Limited is 69.84%.

Disclosures relating to the splitting-up of equity share capital of Dhanuka Laboratories Limited (Unlisted Company) as per Para. 2.2 of Annexure I of the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

Sr. No.	Particulars	Details								
1	Split Ratio	Split ratio is 1: 10 i.e. One (1) equity share of face value Rs.100 each into Ten (10) equity shares of Rs. 10 each								
2	Rationale behind the Split	Face value of each share of Orchid Pharma Limited is Rs. 10/- Face value of each share of DLL is Rs. 100/- To combine the authorized share capital of Orchid Pharma and DLL under proposed amalgamation, splitting up of face value of equity share of DLL equivalent to that of Orchid Pharma is proposed.								
3	Pre and post share capital —authorized, paid-up and subscribed	Pre-split share capital details : <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Authorized share capital</td> <td>Rs. 14,50,00,000 divided into 14,50,000 equity shares of Rs. 100 each</td> </tr> <tr> <td>Subscribed and Paid-up share Capital</td> <td>13,84,66,000 divided into 13,84,660 equity shares of Rs. 100 each</td> </tr> </table> Post-split share capital details : <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Authorized share capital</td> <td>Rs. 14,50,00,000 divided into 1,45,00,000 equity shares of Rs. 10 each</td> </tr> <tr> <td>Subscribed and Paid-up share Capital</td> <td>13,84,66,000 divided into 1,38,46,600 equity shares of Rs. 10 each</td> </tr> </table>	Authorized share capital	Rs. 14,50,00,000 divided into 14,50,000 equity shares of Rs. 100 each	Subscribed and Paid-up share Capital	13,84,66,000 divided into 13,84,660 equity shares of Rs. 100 each	Authorized share capital	Rs. 14,50,00,000 divided into 1,45,00,000 equity shares of Rs. 10 each	Subscribed and Paid-up share Capital	13,84,66,000 divided into 1,38,46,600 equity shares of Rs. 10 each
Authorized share capital	Rs. 14,50,00,000 divided into 14,50,000 equity shares of Rs. 100 each									
Subscribed and Paid-up share Capital	13,84,66,000 divided into 13,84,660 equity shares of Rs. 100 each									
Authorized share capital	Rs. 14,50,00,000 divided into 1,45,00,000 equity shares of Rs. 10 each									
Subscribed and Paid-up share Capital	13,84,66,000 divided into 1,38,46,600 equity shares of Rs. 10 each									
4	Expected time of completion	Equity Shares are proposed to split under Scheme of Amalgamation and Arrangement. Upon the effectiveness of the Scheme, the proposed split is expected to be completed.								
5	Class of shares which are subdivided	The class of share for which splitting up is proposed is “Equity Share”								
6	Number of shares of each class pre and post split	Pre-split share capital details: Authorised Share capital - 14,50,000 equity shares of Rs. 100 each Subscribed and Paid up share capital - 13,84,660 equity shares of Rs. 100 each. Post-split share capital details: Authorised Share capital - 1,45,00,000 equity shares of Rs. 10 each Subscribed and Paid up share capital - 1,38,46,600 equity shares of Rs. 10 each.								

7	Number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding	Not applicable
---	--	----------------

For Orchid Pharma Limited

Marina Peter
Company Secretary & Compliance Officer