

Date: 5th July 2019

BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, MUMBAI – 400 001	National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E) MUMBAI – 400 051
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Dear Sir,

Sub: Approval of the resolution plan for Orchid Pharma Limited ("**OPL**" / "**Company**") by the Adjudicating Authority.

Pursuant to the corporate insolvency resolution process of OPL, Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") by its order dated June 27, 2019 has approved the resolution plan ("**Plan**") submitted by Dhanuka Laboratories Limited ("**Dhanuka**") under Section 31 of the Insolvency Bankruptcy Code, 2016 ("**Code**").

The date on which all the actions as envisaged in Schedule 1 of the Plan, *inter-alia*, payment to the creditors as envisaged therein, are consummated will be the "**Effective Date**" in the manner provided herein, which shall, in any case, not be later than 30 calendar days from the date of receipt of the order of the NCLT approving the Plan.

The Plan, as approved by the NCLT, is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved, as per the provisions of the Code.

Set out below are the salient features of the Plan and other material information (other than commercial secrets):

a) Infusion on or prior to Effective Date

On or prior to the Effective Date, Dhanuka proposes to arrange to infuse / infuse in an aggregate amount of (a) Rs. 370.01 crores in **Dhanuka Pharmaceuticals Private Limited**, a special purpose vehicle which is wholly owned and controlled by Dhanuka ("**SPV**") which shall be amalgamated with and into OPL on and from the Effective Date; and (b) Rs. 25.99 crores in OPL. The aggregate amount to be infused on or prior to the Effective Date shall be Rs. 396 crores out of which Rs. 370 crores shall be towards settlement to be provided to each of the class of creditors & stakeholders and the remaining amount of Rs. 26 crores shall be towards equity infusion for improving operations of OPL. A snapshot of the fund infusion on or prior to the Effective Date (in accordance with Applicable Law) is set out below:

SNo.	Particulars	Amount (Rs. in crores)
1	Equity infusion by Dhanuka in SPV	0.01
2	New Debt infusion/arranged in the SPV	370.00
3	Equity infusion by Dhanuka in OPL	25.99
	Total Sources of Fund	396.00

- Rs. 0.01 crores will be utilized by OPL, post amalgamation of the SPV into OPL, for capex/working capital or for improving the operating leverage and efficiencies in the operations of OPL;

- 2) Rs. 25.99 crores will be utilized by OPL for capex/working capital for improving the operating leverage and efficiencies in the operations of OPL.

Infusion within 6 months from the Effective Date:

Within a period of 6 months from the Effective Date, Dhanuka is required to infuse / bring in an aggregate amount of Rs. 14 crores in OPL, which shall be by way of equity infusion in OPL for capex/working capital or for improving the operating leverage and efficiencies in the operations of OPL.

Infusion within Deferred Payment Period:

Within Deferred Payment Period (which shall mean a maximum period of 1 year commencing from the Effective Date), Dhanuka is required to infuse / bring in an aggregate amount of Rs. 200 crores in OPL, which shall be by way of equity/quasi equity infusion in OPL, at the sole discretion of Dhanuka.

Terms of Equity Infusion in SPV

Dhanuka shall infuse Rs. 0.01 crores in SPV by subscribing to 10,000 equity shares of the SPV at its face value of Rs. 10 each.

Terms of Equity Infusion in OPL

Dhanuka shall infuse an aggregate amount of Rs. 25.99 crores in OPL on or prior to the Effective Date by way of subscribing to 2,59,90,000 equity shares of the Corporate Debtor at its face value of Rs. 10 each. Dhanuka shall further infuse an aggregate amount of Rs. 14 crores in OPL within 6 months from the Effective Date, which shall be done by way of subscribing to 1,40,00,000 equity shares of OPL at its face value of Rs. 10 each.

b) Issuance of NCDs

Upon a day prior to the Effective Date, OPL shall issue 0% Non-Convertible Non-Marketable Cumulative Redeemable Debentures of value Rs. 3,650 crores ("NCDs") to the SPV for subsuming equivalent outstanding debt of OPL by the SPV for consideration other than cash.

c) Reduction and Consolidation

Upon a day prior to the Effective Date, the existing issued, subscribed and paid-up equity share capital of OPL shall be reduced and consolidated from Rs. 88,96,43,270 divided into 8,89,64,327 equity shares of Rs. 10 each to Rs. 40,81,640 divided into 4,08,164 equity shares of Rs. 10 each thereby reducing the value of issued, subscribed and paid-up equity share capital of OPL by Rs. 88,55,61,630 divided into 8,85,56,163 equity shares of Rs. 10 each.

Upon reduction and consolidation, in the event any member of OPL becomes entitled to fractional equity shares, such fractional entitlements shall be consolidated by OPL and allotted to a trust set up by Dhanuka and a professional trustee on behalf of the fractional shareholders for the purpose of sale in the open market or to any Person. Any fractional share arising in the

hands of such trust even after such consolidation shall be rounded off to the nearest whole integer.

d) Amalgamation of SPV with OPL

On and from the Effective Date, by virtue of the sanction of the Plan by the NCLT and pursuant to the provisions of the Code, any and all: i) assets; ii) liabilities including contingent liabilities; iii) rights, interests and obligations; iv) intellectual property rights (whether registered or not); and v) benefits or subsidies of the SPV shall stand transferred to or vested in OPL in accordance with the Plan.

In consideration for the Amalgamation, OPL will issue 1 equity share of face value Rs. 10 for every 1 equity share of face value Rs. 10 of the SPV. Any fractions arising pursuant hereto shall be rounded off to the nearest whole integer. The equity shares so issued by OPL to the shareholders of the SPV shall rank pari-passu to the existing shares of OPL and shall be listed on the stock exchanges.

Inter-company balances / instruments/ liabilities/ debts/ obligations between SPV and OPL including the NCDs so issued by OPL to the SPV shall stand eliminated pursuant to Amalgamation being made effective.

e) Equity to the Secured Financial Creditors

It is proposed under the Plan that the dues of the Secured Financial Creditors shall be partly converted and settled by way of issuance of 4,08,164 equity shares having face value of Rs. 10 each of OPL on the Effective Date.

f) Shareholding Pattern of the Company

The equity shareholding structure immediately after the capital infusion as contemplated under this Plan is proposed to be as follows:

Category of equity shareholders of the OPL	Existing Equity Capital of OPL as on March 31 st , 2019		Equity Share Capital immediately after capital infusion as contemplated in this Plan	
	No. of shares	% holding	No. of shares	% holding
Existing Promoter & Promoter Group	2,28,73,782	25.71%	1,04,939	0.257%
Existing Public Shareholding (other than Secured Financial Creditors)	6,28,63,857	70.66%	2,88,409	0.706%
Shares underlying DRs	32,26,688	3.63%	14,816	0.036%
Secured Financial Creditors	NIL	-	4,08,164	1.000%
Dhanuka	NIL	-	4,00,00,072	98.000%
TOTAL	8,89,64,327	100.00%	4,08,16,400	100.000%

Note: It is hereby clarified and confirmed that post reduction and consolidation of the existing equity share capital of OPL and post amalgamation of the SPV into OPL on and from the Effective Date, as provided in the Plan, the existing promoters and promoter group of OPL shall not have any rights (including any rights as are available to a promoter and promoter group under the applicable law) except as are ordinarily available to them as a public shareholder of OPL.

g) Treatment of Subsidiaries

As part of the Plan, OPL shall transfer its entire equity investment/ownership interest held in the Identified Entities, to a person ("**Identified Buyer**") identified by Dhanuka, at a fair market value on "as is where is" and "as is whatever is" basis. Till such time the Company transfers such entities to the Identified Buyer(s), the Company shall continue to own such entities in trust and for the cost and benefit of Identified Buyer(s).

"**Identified Entities**" shall mean the following entities or any other entity, wherein the Company holds equity/ownership interest in such entity, identified and decided as such by Dhanuka:

S. No.	Company Name
1.	Orchid Europe Limited
2.	Orchid Pharmaceuticals Inc.
3.	Diakron Pharmaceuticals Inc
4.	Orchid Pharmaceuticals SA
5.	Bexel Pharmaceutical Inc.
6.	Orgenus Pharma Inc.
7.	Orchid Pharma Inc. / Karalex Pharma

h) Extinguishment of Liabilities

Pursuant to the approval of the Plan by the NCLT, all the liabilities, deficiencies, assessments, demands, damages, penalties, cause of actions, obligations, loss, claims of any nature whatsoever including any liabilities, losses, penalties or damages arising out of Non-Compliances, to which OPL or any future shareholder, director, employees or officers of OPL is or may be subject to and which pertains to the period on or before the Effective Date, shall stand extinguished, abated and settled in perpetuity without any further act or deed.

Pursuant to the approval of the Plan, the rights of any person (whether exercisable now or in future and whether contingent or not) to call for the allotment, issue, sale or transfer of shares or loan capital of OPL, whether on a change of control, or otherwise, including ESOP granted to the employees, shall stand unconditionally and irrevocably extinguished.

i) Constitution of Monitoring Committee

In accordance with the Plan, a monitoring committee of the following 5 members has been constituted, *inter-alia*, for supervising the implementation of the Plan. On and from the NCLT Approval Date till the Effective Date, all the decisions which could otherwise have been taken by the Company's board shall be taken by the Monitoring Committee and that the Company's board shall have no authority whatsoever to conduct the business of the Company. The

existing board of the Company shall be and remain suspended post the Effective Date and all powers and duties of the board shall vest with the Monitoring Committee.

Following are the members of Monitoring Committee:

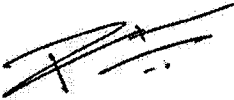
- 1) One nominee of State Bank of India;
- 2) One nominee of Union Bank of India;
- 3) Two nominees of Dhanuka;
- 4) Mr. Sripatham Venkatasubramanian Ramkumar

Mr. Sripatham Venkatasubramanian Ramkumar shall act as the Monitoring Agent.

This is for your information and records.

Thanking you,

Yours faithfully,



Mr. Sripatham Venkatasubramanian Ramkumar
Monitoring Agent
(on behalf of the Monitoring Committee)
Orchid Pharma Limited

Cc: Luxembourg Stock Exchange
Bourse de Luxembourg
BP 165, L-2011 Luxembourg
Siege social
11, avenue de la Porte-Neuve