

December 16, 2021

National Stock Exchange of India Limited The Listing Department Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Symbol: ORCHPHARMA	BSE Limited The Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Scrip Code: 524372
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Dear Sir / Madam

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

In compliance with the provisions of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform that the Board of Directors of Orchid Pharma Limited (“**the Company**”) at its meeting held today, i.e., December 16, 2021, 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 16, 2021, prepared by M/s. SSPA & Co. Chartered Accountants (Registered Valuer) has been obtained for the aforesaid Scheme.

Fairness opinion, dated December 16, 2021 prepared 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, recommended by the Valuer under the Valuation Reports, have been procured by the Company.

Pursuant to Regulation 30 of the Listing Regulations as amended, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, details of the Scheme are enclosed herewith as Annexure I.

Further, we would like to apprise your good office that the Board of Directors at their meeting held today have approved the sale of Corporate office of the Company at Nungambakkam, Chennai.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,

For Orchid Pharma Limited



End: 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. CIR/CFD/CMD/4/2015 dated September 9, 2015

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: U85110DL1994PLC224835</p> <p>Details of Size and Turnover as on September 30, 2021 (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>(994.68)¹</td> <td>217.44</td> </tr> <tr> <td>DLL</td> <td>284.56</td> <td>192.00</td> </tr> </tbody> </table>	Name of Entity	Net Worth (standalone)	Turnover	Orchid Pharma Limited	(994.68) ¹	217.44	DLL	284.56	192.00
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Orchid Pharma Limited	(994.68) ¹	217.44									
DLL	284.56	192.00									
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 reports dated December 16,2021 prepared by M/s. SSPA & Co., Chartered Accountants, Independent Registered Valuer (“Valuation Report”) and the Fairness opinion dated December 16,2021, obtained from M/s. Fortress Capital Management Services Private Limited, a SEBI Registered (Category-I) Merchant</p>									

¹ Net worth=Equity capital+ Securities Premium+ General reserve+ Other Comprehensive income+ Equity component of Optionally Convertible debentures +Profit and Loss account balance

		<p>Banker, respectively, have confirmed the share exchange ratios recommended by the valuer under the Valuation Report.</p> <p>The aforesaid Valuation Report and Fairness Opinion have been duly considered by the Audit Committee and Independent Directors Committee of Orchid Pharma Limited and DLL and Board of Directors of Orchid Pharma and DLL</p>
3.	Area of business of the entity(ies)	<p>The Company is engaged in the business of development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals</p> <p>DLL is engaged in the business of manufacturing and marketing of diverse bulk actives and formulations of various drugs.</p>
4.	Rationale for amalgamation/ merger	<ul style="list-style-type: none"> - 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> - 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. - 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 - This enhanced value maximization shall result in a stronger balance sheet which will attract investors

		<ul style="list-style-type: none"> - Elimination of conflict of interest between both Amalgamating Company and Amalgamated Company as both are undertaking similar business - 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 - The amalgamation would result in improved competitive position of the Amalgamated Company 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><u>Amalgamation of DLL into and with the Company :</u></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 63 equity shares of Rs. 10 each for every 2 equity share of Rs. 100 each of DLL.</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 Company pursuant to the Scheme, in accordance with the share exchange ratio. Indicative shareholding pattern of the Company, post the amalgamation of DLL into and with the Company in accordance with the Scheme, is set out below:</p> <table border="1" data-bbox="602 1465 1414 1881"> <thead> <tr> <th>Category</th> <th>Shareholding of Orchid Pharma as on September 30,2021</th> <th>Indicative post-Scheme shareholding of Orchid Pharma</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>89.96%</td> <td>91.41%</td> </tr> <tr> <td>Public</td> <td>10.00%</td> <td>8.55 %</td> </tr> <tr> <td>Non-Promoter Non-Public</td> <td>0.04%</td> <td>0.04%</td> </tr> </tbody> </table>	Category	Shareholding of Orchid Pharma as on September 30,2021	Indicative post-Scheme shareholding of Orchid Pharma	Promoter and Promoter Group	89.96%	91.41%	Public	10.00%	8.55 %	Non-Promoter Non-Public	0.04%	0.04%
Category	Shareholding of Orchid Pharma as on September 30,2021	Indicative post-Scheme shareholding of Orchid Pharma												
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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. CIR/CFD/CMD/4/2015 dated September 9, 2015.

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="margin-left: 20px;"> <tr> <td>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="margin-left: 20px;"> <tr> <td>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
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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 postsplit	<p>Pre-split share capital details:</p> <p>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</p> <p>Post-split share capital details:</p> <p>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</p>
7.	Number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding	Not applicable

For Orchid Pharma Limited

