

**(Under Corporate Insolvency Resolution Process)**

February 17, 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**

**Sub: Outcome of Meeting - Approval of Unaudited Financial Results for the Quarter ended December 31, 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 February 17, 2020 has considered and approved the Unaudited Financial Results (both Standalone and Consolidated) of the Company for the Quarter (Q3 of FY 2019-20) ended December 31, 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**

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 Ph. +91 - 44 - 2821 1000 / 2823 0000 Fax: +91 - 44 - 2821 1002 Email: corporate@orchidpharma.com Website: www.orchidpharma.com  
 CIN : L24222TN1992PLC022994

**Statement of Unaudited Consolidated and Standalone Financial Results for the quarter and nine months ended December 31, 2019 under Ind AS**

S/No	Particulars	Standalone financial results						Consolidated financial results			
		For the quarter ended			For the nine months ended			For the quarter ended			For the year ended
		Dec 31, 2019 (Unaudited)	Sep 30, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Mar 31, 2019 (Audited)	Dec 31, 2019 (Unaudited)	Sep 30, 2019 (Unaudited)	Dec 31, 2019 (Unaudited)	Mar 31, 2019 (Audited)
	Income from Operations	12,857.64	13,099.01	14,845.34	39,533.80	42,158.00	58,364.62	12,846.33	13,163.46	39,651.78	59,996.05
1	Net Sales / Income from operations	701.56	662.27	189.60	1,879.04	1,244.43	1,692.84	701.56	662.27	1,879.04	1,692.84
2	Other Income (Net)	13,559.20	13,761.28	15,034.94	41,412.84	43,402.43	60,057.46	13,647.89	13,925.73	41,530.82	61,690.89
3	Total Income (1+2)	5,351.14	6,069.37	7,052.77	17,626.90	18,745.88	25,743.48	5,336.68	6,071.51	17,740.56	26,283.92
4	Expenses	1.50	6.02	8.12	7.52	30.02	29.84	1.50	6.02	7.52	29.84
	Cost of materials consumed	125.97	(530.17)	0.31	26.25	1,024.56	2,042.71	276.17	(463.66)	38.36	2,656.07
	Purchase of stock-in-trade - Traded goods	2,183.35	2,032.46	1,878.87	6,297.69	5,769.13	7,914.45	2,257.47	2,111.22	6,530.77	8,227.83
	Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods	108.81	183.73	3.48	337.75	1,358.37	29.96	328.62	9.13	337.75	29.96
	Employee benefit expenses	3,164.36	3,169.86	3,263.64	9,470.74	9,858.13	12,992.48	3,164.84	3,170.35	9,472.19	12,994.34
	Finance costs	6,098.58	5,348.38	4,845.18	17,198.75	17,087.29	23,903.22	5,049.88	5,548.53	16,624.75	24,620.95
	Depreciation and amortization expense	17,033.71	16,279.65	16,882.27	50,965.60	53,873.38	72,656.74	16,417.16	16,432.80	50,751.90	74,842.91
	Other expenses (refer note 5)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(10,470.95)	(12,498.68)	(2,769.27)	(2,607.17)	(9,221.08)	(13,152.02)
5	Total Expenses	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(10,470.95)	(12,498.68)	(2,769.27)	(2,607.17)	(9,221.08)	(13,152.02)
6	Profit / (loss) before exceptional items and tax (3-4)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(8,760.62)	(10,105.13)	(2,769.27)	(2,607.17)	(9,221.08)	(13,152.02)
7	Exceptional items (refer note 4)	-	-	-	-	1,710.33	2,493.95	-	-	-	20,092.81
8	Profit / (loss) before tax (5+6)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(7,050.29)	(7,611.18)	(2,769.27)	(2,607.17)	(9,221.08)	6,940.79
9	Tax expense	-	-	-	-	-	-	-	-	-	-
	Current tax	-	-	-	-	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-	-	-	-	-	-
9	Profit / (loss) for the period from continuing operations (7-8)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(8,760.62)	(10,105.13)	(2,769.27)	(2,607.17)	(9,221.08)	6,940.79



**Orchid Pharma Limited**

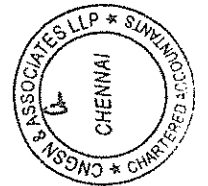
Statement of Unaudited Consolidated and Standalone Financial Results for the quarter and nine months ended December 31, 2019 under Ind AS (Contd....)

S/No	Particulars	Stand alone financial results				Consolidated financial results				
		For the quarter ended		For the nine months ended		For the quarter ended		For the nine months ended		
		Dec 31, 2019 (Unaudited)	Sep 30, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2019 (Unaudited)	Sep 30, 2019 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2019 (Unaudited)	For the Year ended March 31, 2019 (Audited)
9	Profit / (loss) for the period from continuing operations (7-8)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(8,780.62)	(10,105.13)	(2,607.17)	(9,221.08)	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)	(3,474.51)	(2,518.37)	(1,847.33)	(9,552.76)	(8,780.62)	(10,105.13)	(2,607.17)	(9,221.08)	6,940.79
14	Other comprehensive Income , net of income tax	24.01	17.55	20.22	61.54	60.66	90.39	14.92	61.54	90.39
	a) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	(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	24.01	17.55	20.22	61.54	60.66	90.39	14.92	61.54	90.39
15	Total comprehensive income/ (loss) for the period (13+14)	(3,450.50)	(2,500.82)	(1,827.11)	(9,491.22)	(8,699.96)	(10,014.74)	(2,745.26)	(9,159.54)	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	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	10.00	10.00	10.00
17	Earning per share (RS) (not annualised)	(3.91)	(2.83)	(2.08)	(10.74)	(9.85)	(11.36)	(3.11)	(10.36)	7.80
	- Basic	(3.91)	(2.83)	(2.08)	(10.74)	(9.85)	(11.36)	(3.11)	(10.36)	7.80
	- Diluted									

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)/2017 dated August 17, 2017. Subsequently, Mr. Ramkumar Srinatham Venkatesubramanian (IP Registration no. IBB/IRPA-00/1P-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 of Dhanuka Laboratories Limited was approved by the Hon'ble NCLT vide its order dated 27th June 2019. However, on an appeal filed by one of the unsuccessful resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") has stayed the implementation of the resolution plan until further orders on 28th July 2019 and has directed the Interim Resolution Professional ("IRP") to ensure that the Corporate Debtor remains as a going concern. Further, the Hon'ble NCLAT on November 13, 2019, had set aside the approved resolution plan of Dhanuka Laboratories Limited, State Bank of India, one of the CoC member, has preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India and the Apex Court has stayed the implementation of the order of Hon'ble NCLAT until further orders. The case has been posted for further hearing on 28th February 2020.



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These unaudited financial results for the quarter and nine months ended December 31, 2019 have been prepared by the management of the Company confirming that the financial statements do not contain any misleading or false statements. The unaudited financial results were placed before the RP on February 17, 2020 for consideration. In view thereof, the RP, in reliance of such examination by and the representations, clarifications and explanations provided by the Management 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.

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 and nine months ended December 31, 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 December 31, 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 dependent on the resolution of the aforesaid matters as part of the CIRP.

As aforesaid, the Hon'ble NCLAT has set aside the NCLT order for approval of resolution plan on November 13, 2019 and remitted the case to Hon'ble NCLT for decision in accordance with law and the appeal preferred by State Bank of India against this order of Hon'ble NCLAT is pending before the Hon'ble Supreme Court of India.

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 Company Official attended a personal hearing with Enforcement Directorate (Notice No.T-4/05/CEZO/ISRO/2017 dated 25th March 2017, a pre-CIRP Notice) on 25th September 2019. The enquiry was with reference to the export realisations pertaining to the period October 2006 to March 2015 & for submission of materials on records with reference to:

The export proceeds that are yet to be realised amounting to INR 4,267.58 Lakhs (Out of this, an amount of \$ 903,502 has already been written off and application is pending with AD banker for an amount \$ 1,40,739 for write off). The write-off was done with required approvals from the Authorised Dealers for which necessary documents were submitted.

Also, an amount of INR 20,321 Lakhs were realised fully albeit with significant delays for which the Company has submitted the required documents during the said hearing and for an advance of INR 27 Lakhs against which supplies were not yet effected. Since no show cause or demand notice is outstanding on the reporting date, no adjustment has been considered in the financials for the quarter/nine months ended December 31, 2019.

- 4 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>

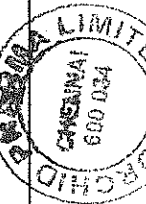
- 5 Exceptional items presented in the above Statement of Consolidated and Standalone unaudited financial results for the nine months ended December 31, 2018 and for the year ended March 31, 2019 represents net of reversal of interest accrued and provided for the financial creditors post commencement 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.

- 6 The Other expenses includes loss of INR 2,051.21 Lakhs on account of forex loss for nine months ended December 31, 2019 (Nine months ended December 31, 2018 INR 4,868.53 Lakhs). This includes loss of INR 2,179.99 Lakhs (Nine months ended December 31, 2018 INR 5,264.83 Lakhs) on account of EOB loan and Gain of INR 128.78 Lakhs (Nine months ended December 31, 2018 Gain of INR 406.30 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 5,229.36 Lakhs in the standalone financial statements owed by the subsidiaries out of which provision is made for an amount of INR 5,229.36 Lakhs as doubtful debtors

- 7 The investigation department of Securities and Exchange Board of India (SEBI) vide letter dated December 27, 2019 has sought certain information / Transactions entered by the wholly owned subsidiary, Orchid Europe limited (OEL) for the period 2017 and 2018. The Resolution Professional has responded to the said letter stating that he does not have control over or access to the books of accounts of OEL and hence, could not verify / provide the information sought by SEBI. It is to be noted that the books of accounts of OEL has not been audited from 2012-13 onwards.

The Resolution Professional has been informed by the Company that Mr.K Raghavendra Rao, the erstwhile Managing Director of the Company has received a notice from the Financial Conduct Authority (FCA) vide letter dated January 30, 2020 in his capacity as the Director of Orchid Europe Limited seeking certain details related to Orchid Europe Limited's relationship with the Company.

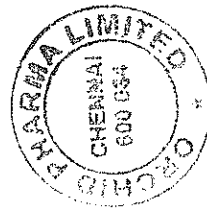


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**Orchid Pharma Limited**

**Statement of Unaudited Consolidated and Standalone Financial Results for the quarter and nine months ended December 31, 2019 under Ind AS (Contd...)**

- 8 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.
- 9 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. 51,672.27 Lakhs and the same is carried in the Balance sheet at a value of Rs. 57,750.49 Lakhs, arrived at by restating the Foreign currency value of the loan to the extent admitted with the closing exchange rate as on December 31, 2019. If this loan is stated at the INR value as admitted under CIRP there will be a net gain of Rs. 6,078.22 Lakhs.
- 10 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.
- 11 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 quarter ended June 2019 and nine months ended December 31, 2019 and accordingly, no comparative figures have been provided for the other interim periods.
- 12 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.
- 13 Registrar of Companies, Tamil Nadu, Chennai, Office of the Ministry of Corporate Affairs, has published a list of Disqualified Directors as per Section 164(2)(a) of the Companies Act, 2013 (the Act) for the Block years namely 2015-16, 2016-17 and 2017-18 in which, name of Shri K Raghavendra Rao is appearing for not filing the Financial Statements of a Company in which he is a director. Accordingly, he is disqualified until October 31, 2023 to act as a Director in any other Company as per the provisions of the Act and he vacates Office of Managing Director of Orchid Pharma Ltd. In view of this, Resolution Professional is in the process of appointing a Manager for purposes of compliances as per the Provisions of the Companies Act, 2013.
- 14 No comparative consolidated figures have been provided for the quarter and nine months ended December 31, 2018, as this is the first year of applicability for the presentation of quarterly consolidated figures in the unaudited results.



Taken on record

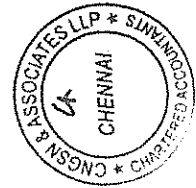
  
Ravikumar Spatham Venkatasubramanian  
Resolution Professional

IP Registration no. IBB/IFPA-001/IFP-P00015/2016-17/10039

Place: Chennai

Date : February 17, 2020

Initialed for identification purposes





## CNGSN & ASSOCIATES LLP

### CHARTERED ACCOUNTANTS

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**E.K. SRIVATSAN**  
B.Com., FCA

**Limited Review Report on the Standalone Unaudited Financial Results  
for the Quarter and Nine months ended December 31, 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 25<sup>th</sup>/ 27<sup>th</sup> of June 2019. However, on a petition filed by one of the resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") had set aside the order of the Hon'ble NCLT approving the aforesaid resolution plan, observing that it is against the object of Insolvency and Bankruptcy Code and section 30 (2) of the said code. The Hon'ble NCLAT observed that admittedly, the amount offered in favour of stakeholders including the financial creditors and operational creditors is being much less than the liquidation value, such plan cannot be accepted. The Hon'ble NCLAT also stated that it had not interfered with the impugned order dated 25<sup>th</sup>/ 27<sup>th</sup> of June 2019 by which the application filed by a resolution applicant was rejected. The Hon'ble NCLAT had remitted back the matter to the Adjudicating Authority for decision in accordance with law. One of the financial creditors/ members of the Committee of Creditors of the Company has preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India. The Apex Court has stayed the implementation of the order of the Hon'ble NCLAT until further orders. The case has been posted for further hearing on February 28, 2020.

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 and nine months ended December 31, 2019 vest with the RP.

2. We have reviewed the unaudited standalone financial results of M/s Orchid Pharma Limited ("the Company") for the quarter and nine months ended December 31, 2019 together with the notes thereon which are included in the accompanying 'Statement of Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2019 ("the Statement").



3. The aforesaid 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/ 80/ 2019 dated July 19, 2019 which has been initialled by us for identification purposes.

The Statement which is the responsibility of the Company's management and approved by the RP based on representations, clarifications and explanations provided by the management 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 Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

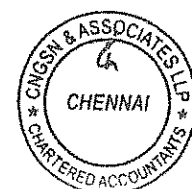
Our responsibility is to issue a report on the Statement based on our review.

4. 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.
5. 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.
6. We draw attention to the following matters:

- (a) Note 1 and 2 to the Statement regarding application by an operational creditor under the provisions of 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. 2,447.29 Lakhs, loans and advances given to various parties (net of provisions) amounting to Rs.73,241.33 Lakhs (which includes capital advances of Rs.52,241.71 and other advances of Rs.20,999.62 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 December 31, 2019. Pursuant to the CIRP, the Company stopped providing interest on bank borrowings for the current year, after the CIRP commencement date. The interest already accounted in the earlier years over and above the amount approved by the RP has also been reversed in the last year. 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.57,750.49 Lakhs, arrived at by restating the foreign currency value of the loan to the extent admitted with the closing exchange rate as on December 31, 2019. If this loan is stated at the INR value as admitted under CIRP, there will be a net gain of Rs.6,078.22 Lakhs.

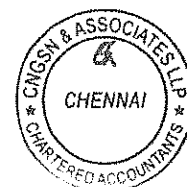
Pending completion of the CIRP process and related confirmation by Axis Bank, no adjustment is made in the financial statements in respect of the above.

- (e) The Company's net worth as on the reporting date is negative. The Hon'ble NCLAT had set aside the order of the Hon'ble NCLT approving the resolution plan and remitted back the matter to the Adjudicating Authority for decision in accordance with law, against which one of the financial creditors/ member of the Committee of Creditors of the Company has preferred an appeal before the Hon'ble Supreme Court and it is pending before the Apex court. 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 order of the Hon'ble Supreme Court and the successful implementation of a resolution plan, if any or such other manner as specified in note 1 and 2 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 the 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 Hon'ble NCLT. We have not been provided with sufficient, appropriate audit evidence, also in respect of the 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.

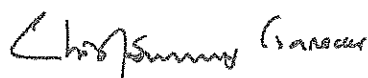
- (g) The investigation department of Security Exchange Board of India (SEBI) has sought for certain information/ transactions entered into by the wholly owned subsidiary, Orchid Europe Limited (OEL) for the years 2017 and 2018. We were informed that the RP has responded to the said letter that he does not have control over or access to the books of account of OEL and hence could not verify/ provide the information sought by SEBI. For the purposes of consolidated financial statements, the Company has not provided audited accounts of OEL and the same has been qualified in the limited review report on the consolidated results submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the current and earlier years. Further, we were informed that the erstwhile managing director of the Company in his capacity as director of OEL has also received a notice from Financial Conduct Authority, London dated January 30, 2020 to provide certain details about OEL for the aforesaid years. In the absence of complete details, read with Note 7 of the Statement, the impact, if any, on the standalone and consolidated unaudited results for the quarter and nine months ended December 31, 2019 is not presently determinable.



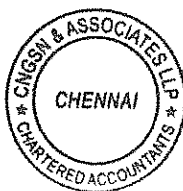


- (h) We were informed that during the personal hearing with Enforcement Directorate relating to export realisations pertaining to the period from October 2006 to March 2015 (pre CIRP period), the Company has submitted the required explanations/ documents with the appropriate authorities. Since no show cause notice or demand is outstanding as at the reporting date, no adjustments have been considered in the above Statement.
- (i) The Registrar of Companies, Tamilnadu under the office of the Ministry of Corporate Affairs, has published a list of disqualified directors as per section 164 (2) of the Companies Act, 2013 for the block years 2015-16, 2016-17 and 2017-18, in which the name of the present managing director of the Company is appearing for non-filing of the financial statements of a company in which he is a director. Accordingly, he is disqualified to act as a director in any other company as per the provisions of the Act and vacates the office of managing director of the Company. We were informed that the RP is in the process of appointing a Manager for the purposes of compliances as per the provisions of the Act.
- (j) 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.
7. Based on our review conducted as above, except for the possible effects of the matters specified in Paragraph 6 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/ 80/ 2019 dated July 19, 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



**(CHINNSAMY GANESAN)**  
Partner  
Membership No. 027501  
UDIN : 20027501AAAAAG5301



Place: Chennai  
Date: February 17, 2020



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**Limited Review Report on the Consolidated Unaudited Financial Results  
for the Quarter and Nine months ended December 31, 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 25<sup>th</sup>/ 27<sup>th</sup> of June 2019. However, on a partition filed by one of the resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") had set aside the order of the Hon'ble NCLT approving the aforesaid resolution plan, observing that it is against the object of Insolvency and Bankruptcy Code and section 30 (2) of the said code. The Hon'ble NCLAT observed that admittedly, the amount offered in favour of stakeholders including the financial creditors and operational creditors is being much less than the liquidation value, such plan cannot be accepted. The Hon'ble NCLAT also stated that it had not interfered with the impugned order dated 25<sup>th</sup>/ 27<sup>th</sup> of June 2019 by which the application filed by a resolution applicant was rejected. The Hon'ble NCLAT had remitted back the matter to the Adjudicating Authority for decision in accordance with law. One of the financial creditors/ members of the Committee of Creditors of the Company has preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India. The Apex Court has stayed the implementation of the order of the Hon'ble NCLAT until further orders. The case has been posted for further hearing on February 28, 2020.

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 and nine months ended December 31, 2019 vest with the RP.



2. We have reviewed the unaudited consolidated financial results of M/s Orchid Pharma Limited ("the Group") for the quarter and nine months ended December 31, 2019, together with the notes thereon, which are included in the accompanying 'Statement of Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2019 ("the Statement").
3. This aforesaid Statement is being submitted by the Group 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/ 80/ 2019 dated July 19, 2019 which has been initialled by us for identification purposes.

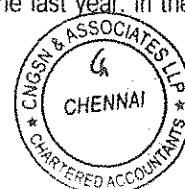
The Statement which is the responsibility of the Group's management and approved by the RP based on representations, clarifications and explanations provided by the management of the Group (Refer Note 1 and 2 to the Statement) has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (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.

4. 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.
5. 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.
6. We draw attention to the following matters:
  - (a) Note 1 and 2 to the Statement regarding application by an operational creditor under the provisions of 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. 2,447.29 Lakhs, loans and advances given to various parties (net of provisions) amounting to Rs. 73,241.33 Lakhs (which includes capital advances of Rs.52,241.71 and other advances of Rs.20,999.62 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 December 31, 2019. Pursuant to the CIRP, the Group stopped providing interest on bank borrowings for the current year, after the CIRP commencement date. The interest already accounted in the earlier years over and above the amount approved by the RP has also been reversed in the last year. 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.57,750.49 Lakhs, arrived at by restating the foreign currency value of the loan to the extent admitted with the closing exchange rate as on December 31, 2019. If this loan is stated at the INR value as admitted under CIRP, there will be a net gain of Rs.6,078.22 Lakhs.

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. The Hon'ble NCLAT had set aside the order of the Hon'ble NCLT approving the resolution plan and remitted back the matter to the Adjudicating Authority for decision in accordance with law, against which one of the financial creditors/ member of the Committee of Creditors of the Group has preferred an appeal before the Hon'ble Supreme Court and it is pending before the Apex court. 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 order of the Hon'ble Supreme Court and the successful implementation of a resolution plan, in any or such other manner as specified in note 1 and 2 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 Hon'ble 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 and nine months ended December 31, 2019 include the financial results for the quarter and nine months ended December 31, 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 and nine months ended December 31, 2019 that reflect total assets of Rs. 9,014.27 Lakhs as at December 31, 2019, total revenue of Rs. 117.98 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 331.68 Lakhs for the nine months ended on that date, as considered in the Statement.

The financial results of the subsidiaries are unaudited/ 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 fair presentation of the unaudited results, including adjustments, if any, required on the carrying amount of assets and liabilities of the above subsidiaries as at December 31, 2019 included in the above Statement.

- (h) The investigation department of Security Exchange Board of India (SEBI) has sought for certain information/ transactions entered into by the wholly owned subsidiary, Orchid Europe Limited (OEL) for the years 2017 and 2018. We were informed that the RP has responded to the said letter that he does not have control over or access to the books of account of OEL and hence could not verify/ provide the information sought by SEBI. For the purposes of consolidated financial statements, the Company has not provided audited accounts of OEL and the same has been qualified in the limited review report on the consolidated results submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the current and earlier years. Further, we were informed that the erstwhile managing director of the Company in his capacity as director of OEL has also received a notice from Financial Conduct Authority, London dated January 30, 2020 to provide certain details about OEL for the aforesaid years. In the absence of complete details, read with Note 7 of the Statement, the impact, if any, on the standalone and consolidated unaudited results for the quarter and nine months ended December 31, 2019 is not presently determinable.
- (i) We were informed that during the personal hearing with Enforcement Directorate relating to export realisations pertaining to the period from October 2006 to March 2015 (pre CIRP period), the Company has submitted the required explanations/ documents with the appropriate authorities. Since no show cause notice or demand is outstanding as at the reporting date, no adjustments have been considered in the above Statement.
- (j) The Registrar of Companies, Tamilnadu under the office of the Ministry of Corporate Affairs, has published a list of disqualified directors as per section 164 (2) of the Companies Act, 2013 for the block years 2015-16, 2016-17 and 2017-18, in which the name of the present managing director of the Group is appearing for non-filing of the financial statements of a company in which he is a director. Accordingly, he is disqualified to act as a director in any other company as per the provisions of the Act and vacates the office of managing director of the Group. We were informed that the RP is in the process of appointing a Manager for the purposes of compliances as per the provisions of the Act.
- (k) Our review conclusion has been qualified in respect of matters referred to clauses (a) to (h) above. The above matters have also been qualified in our limited review reports of the earlier quarters.



7. Based on our review conducted as above, except for the possible effects of the matters specified in Paragraph 6 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/ 80/ 2019 dated July 19, 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 : 20027501AAAAAG5301



Place: Chennai  
Date: February 17, 2020