

July 28, 2021

<b>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: ORCHPHARMA</b>	<b>BSE Limited Corporate Relationship Department 1st floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort Mumbai - 400 001 BSE Code: 524372</b>
<b>Luxembourg Stock Exchange Bourse de Luxembourg BP 165, L-2011 Luxembourg Siege social 11, avenue de la Portal – Neuve</b>	<b>London Stock Exchange 10 Paternoster Square London EC4M 7LS United Kingdom</b>

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Presentation on proposed material related party transactions for the Financial year 2021-2022**

Dear Sir/ Madam

Apropos the captioned subject, the Notice of the 28<sup>th</sup> Annual General Meeting of the Company scheduled to be held on August 13, 2021, inter-alia including the agenda items for approval of Proposed material related party transactions with Otsuka Chemicals (India) Private Limited (Item No.7), OrBion Pharmaceuticals Private Limited (Item No.8) and Dhanuka Laboratories Limited (Item No.9) and the explanatory statement setting out the material facts pertaining to the above proposed material related party transactions has been circulated along with the Annual report 2020-2021 to the Shareholders vide our e-mail dated July 22, 2021. Also, the same has been uploaded on the company website and can be accessed at [www.orchidpharma.com](http://www.orchidpharma.com).

Further, based on the requests received from few Shareholders for further clarification on the above proposed transactions, a brief presentation on the proposed material related party transactions as circulated to the Shareholders today is appended herewith.

Kindly take the above on records.

Thanking you,

Yours faithfully,

For **Orchid Pharma Limited**  
  
Nikita K  
Company Secretary

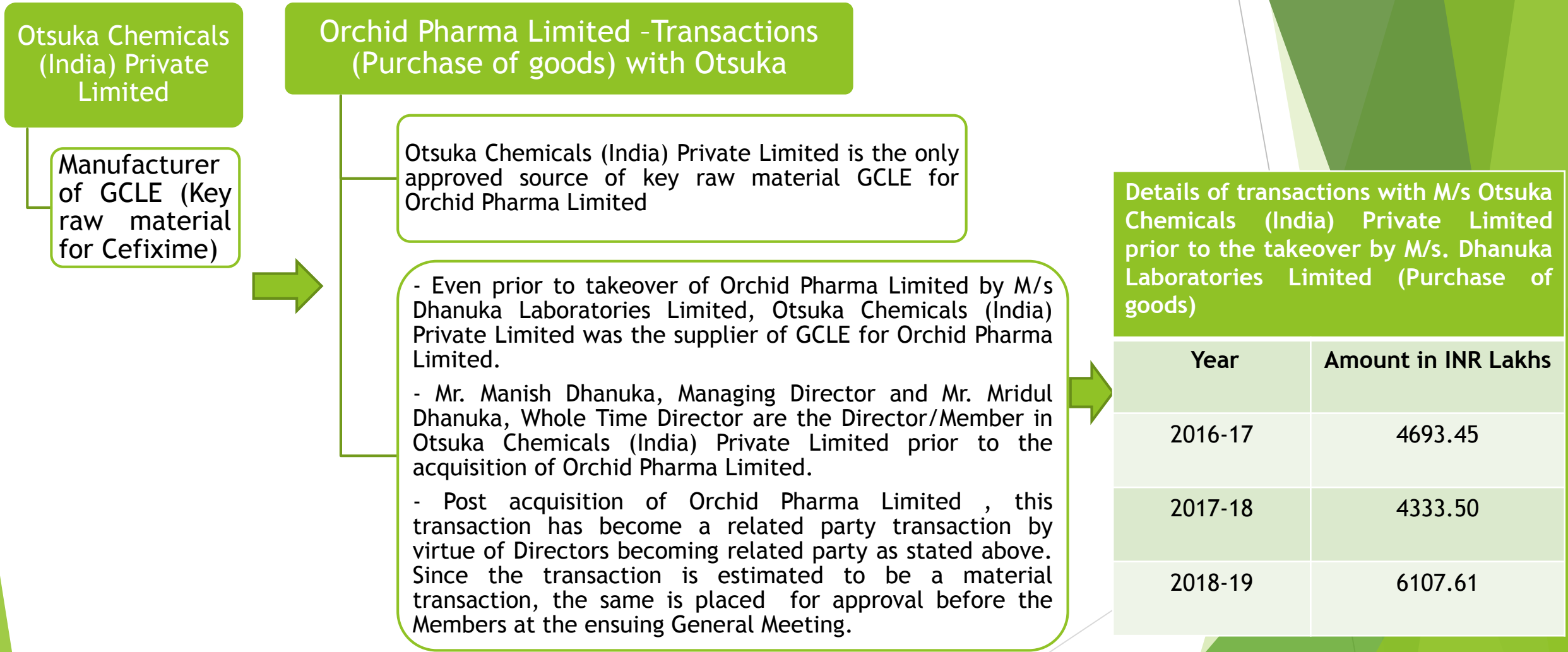


## ORCHID PHARMA LIMITED

# PROPOSED MATERIAL RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2021-2022

**Proposed Material Related Party  
Transaction with M/s. Otsuka  
Chemicals (India) Private Limited**

# Transaction between Orchid Pharma Limited and Otsuka Chemicals (India) Private Limited prior to March 31, 2020 (Prior to the take over by M/s Dhanuka Laboratories Limited )



## Proposed Material Related Party Transaction with M/s. Otsuka Chemicals (India) Private Limited

### Related party

Mr. Manish Dhanuka, Managing Director of Orchid Pharma Limited is also a Director on the Board of Otsuka Chemicals (India) Private Limited

Mr. Mridul Dhanuka, Whole Time Director is a Member of Otsuka Chemicals (India) Private Limited

### Nature of transaction

Recurring & Purchase of goods

### Proposed value of transaction

Aggregate up to Rs. 75 Crores (Rupees Seventy Five Crore Only) for the financial year 2021-2022 (expected to exceed 10% of Annual consolidated turnover as per the latest Audited financials).

No change in the business strategy . Otsuka Chemicals (India) Private Limited was a supplier of GCLE for Orchid Pharma Limited and continues to be the same. Mr. Manish Dhanuka and Mr. Mridul Dhanuka were already the Director/Shareholder in Otsuka before acquiring Orchid Pharma Limited, therefore post acquisition, this transaction has become a related party transaction

*Justification for entering into related party transaction with M/s. Otsuka Chemicals (India) Private Limited*

*Only approved source of the Key Raw Material GCLE for Orchid. Even prior to the takeover by the Dhanuka group, Otsuka was the only approved source for this product*



*Otsuka also buys the end product produced from GCLE for its global requirements from Orchid under a long-term supply contract.*



*The above related party transaction is in the ordinary course of business and at arm's length basis and in the best interest of the Company*

**Proposed Material Related Party  
Transaction with M/s.OrBion  
Pharmaceuticals Private Limited**

**Rationale for Proposed Material  
related party transaction with  
OrBion Pharmaceuticals Private  
Limited**

**-Transfer of IKKT business**

Commitment to Bank for hiving off  
IKKT business to return the loan  
availed by the Company

Negative EBIDTA of IKKT business,  
therefore, transfer of this business will  
improve the EBIDTA of Orchid Pharma.



## Proposed Material Related Party Transaction with M/s. OrBion Pharmaceuticals Private Limited

### *Related Party*

- Associate Company

Orchid Pharma Limited holds 26% shareholding in OrBion Pharmaceuticals Private Limited (Currently having Paid up share capital of Rs.1,00,000/-)

OrBion Pharmaceuticals Private Limited was incorporated for the acquisition of the IKKT business

### *Nature of transaction*

Transfer of the Formulations unit of the Company (IKKT) to M/s. OrBion Pharmaceuticals Private Limited

### *Value of transaction*

Orchid Pharma Limited will receive consideration up to Rs.125.80 Crores & 26% equity shareholding in the Post issue paid up capital of OrBion (“the Purchaser”)

(Post issue Paid up capital of the Purchaser Rs.175.11Crores-including share premium)

***Justification for entering into Material related party transaction with M/s. OrBion Pharmaceuticals Private Limited***

As the IKKT Business is generating negative EBIDTA, hiving off this business will improve the profitability of Orchid. Partnership with Bion Pharma will improve the profitability of IKKT business also, thereby, increasing its future valuation.

1. The shareholding of OrBion shall be held by Orchid Pharma Limited only and not by any of the Directors/Promoters in personal capacity.
2. Mr. Mridul Dhanuka, Whole Time Director of Orchid Pharma Limited and who is also one of the Directors of M/s. OrBion Pharmaceuticals Private Limited shall not derive any monetary benefit from OrBion and shall act only as a representative of Orchid Pharma Limited on the Board of OrBion Pharmaceuticals Private Limited.
3. The above related party transaction is in the best interest of the Company and its Members as a whole. The net proceeds from the sale of the Undertaking will be utilized to repay the existing loans and reduce interest burden.

**Proposed Material Related Party  
Transaction with M/s. Dhanuka  
Laboratories Limited**

## Proposed Material Related Party Transaction with M/s. Dhanuka Laboratories Limited

<p><b><i>Related party</i></b></p>	<p><i>M/s. Dhanuka Laboratories Limited by virtue of being holding company &amp; Promoter holding 20% or more of shareholding of the Company</i></p>
<p><b><i>Nature and proposed value of transaction</i></b></p>	<p><i>Availment of unsecured loan</i></p> <p><i>Aggregate up to Rs. 50 Crores (Rupees Fifty Crore Only) for the financial year 2021-2022 (expected to exceed 10% of Annual consolidated turnover as per the latest Audited financials)</i></p>
<p><b><i>Justification</i></b></p>	<p><i>Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds.</i></p> <p><i>The above loan would be at an interest rate as stipulated under Section 186(7) of the Companies Act, 2013 and on such other terms and conditions as the Board of Directors of the Company (including any authorized Committee thereof) may agree with the lender.</i></p> <p><i>The above transaction is in the best interest of the Company &amp; the Members as a whole .</i></p>