

February 11, 2014

**Bombay Stock Exchange Limited
Corporate Relationship Department
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001**

Dear Sir/Madam,

Sub: Unaudited Financial Results for the Quarter ended 31st December, 2013

In accordance with the Clause 41 of the listing agreement, we are enclosing the following

- ❖ Copy of the Unaudited Financial Results of the Company for the quarter ended December 31, 2013 along with the press release in this respect.
- ❖ Copy of the limited review report on the aforesaid Unaudited Financial Results as issued by the Statutory Auditors of the Company.

The above Unaudited Financial Results and the limited review report have been taken on record by the Board of Directors at their meeting held on February 11, 2014.

This is for your information and records.

Thanking you,

Yours faithfully,



L Chandrasekar
Executive V P – Finance & Secretary

Encl.: a/a

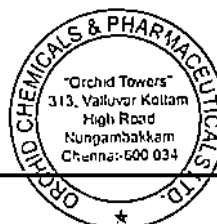


| Orchid Chemicals & Pharmaceuticals Limited | | | | | |
|--|---|----------------------------|----------------------------|----------------------------|--------------------------|
| UNAUDITED FINANCIAL RESULTS FOR THREE MONTHS ENDED DECEMBER 31, 2013 | | | | | |
| Rs. lakhs | | | | | |
| S. No. | Particulars | Three months ended | | | 18 months ended |
| | | 31-Dec-2013 (Unaudited) | 30-Sep-2013 (Unaudited) | 31-Dec-2012 (Unaudited) | 30-Sep-2013 (Audited) |
| 1 | Net Sales / Income from Operations (Net of Excise Duty) | 36,881.97 | 37,725.00 | 31,352.96 | 1,85,357.71 |
| 2 | Other Operating Income | 278.08 | 321.84 | - | 5,314.05 |
| 3 | Total Operating Income (1+2) | 37,160.05 | 38,046.84 | 31,352.96 | 1,90,671.76 |
| 4 | Expenditure | | | | |
| | a) Cost of materials consumed | 15,763.18 | 22,615.13 | 9,352.92 | 82,246.39 |
| | b) Purchases of stock-in-trade | 120.00 | (278.37) | 1,370.12 | 5,099.37 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,290.49) | (3,998.55) | 6,613.47 | 8,481.03 |
| | d) Employees Cost | 3,294.09 | 2,995.68 | 4,084.56 | 22,631.26 |
| | e) Depreciation / Amortisation | 5,740.73 | 4,476.30 | 3,906.01 | 24,386.86 |
| | f) Other Expenditure | 8,324.09 | 17,313.54 | 7,596.62 | 55,253.37 |
| | g) Total | 31,951.60 | 43,123.73 | 32,923.70 | 1,98,098.28 |
| 5 | Profit / (Loss) from Operations before Other Income, Interest, Exceptional Item (3-4) | 5,208.45 | (5,076.89) | (1,570.74) | (7,426.52) |
| 6 | Other Income | 0.16 | - | - | 1.31 |
| 7 | Profit / (Loss) before Interest & Exceptional Item (5+6) | 5,208.61 | (5,076.89) | (1,570.74) | (7,425.21) |
| 8 | Finance cost | 9,555.79 | 12,088.28 | 7,069.30 | 52,038.06 |
| 9 | Profit/(loss) after Interest but before Exceptional Item (7-8) | (4,347.18) | (17,165.17) | (8,640.04) | (59,463.27) |
| 10 | Exceptional Item - Gain/(Loss) | (1,043.05) | (1,469.53) | (559.18) | 5,111.08 |
| 11 | Profit/(Loss) before Tax (9+10) from Ordinary activities | (5,390.24) | (18,634.70) | (9,199.22) | (54,352.19) |
| 12 | Tax expenses | | | | |
| | - Current Tax & Deferred Tax | - | 1,400.02 | (1,963.45) | (1,329.56) |
| 13 | Net Profit/(Loss) after Tax (11-12) | (5,390.24) | (20,034.72) | (7,235.77) | (53,022.63) |
| 14 | Paid-up Equity Share Capital (Face value of Rs.10/- each) | 7,045.21 | 7,045.21 | 7,045.21 | 7,045.21 |
| 15 | Reserves excluding Revaluation Reserves | - | - | - | 41,771.33 |
| 16 | Earnings per share (EPS) before extra-ordinary item | | | | |
| | - Basic Rs.* | (7.65) | (28.44) | (10.27) | (75.26) |
| | - Diluted Rs.* | (7.65) | (28.44) | (10.27) | (75.26) |
| 17 | Earnings per share (EPS) after extra-ordinary item | | | | |
| | - Basic Rs.* | (7.65) | (28.44) | (10.27) | (75.26) |
| | - Diluted Rs.* | (7.65) | (28.44) | (10.27) | (75.26) |





| UNAUDITED FINANCIAL RESULTS FOR THREE MONTHS ENDED DECEMBER 31, 2013 | | Orchid Chemicals & Pharmaceuticals Limited | | | |
|--|--|---|-------------|-------------|-------------|
| | | Rs. lakhs | | | |
| A | PARTICULARS OF SHAREHOLDING | | | | |
| 1 | Public Shareholding | | | | |
| | - Number of equity shares | 4,77,11,295 | 4,77,11,295 | 4,76,11,295 | 4,77,11,295 |
| | - Percentage of Shareholding | 67.72 | 67.72 | 67.58 | 67.72 |
| 2 | Promoters and Promoter group shareholding | | | | |
| | a. Pledged / Encumbered | | | | |
| | - Number of shares | 1,72,76,400 | 1,89,41,608 | 1,78,18,645 | 1,89,41,608 |
| | - Percentage of shares (as a % of the total shareholding of Promoter and Promoter group) | 75.97 | 83.29 | 78.01 | 83.29 |
| | - Percentage of shares (as a % of the total share capital of the company) | 24.52 | 26.89 | 25.29 | 26.89 |
| | b. Non - Encumbered | | | | |
| | - Number of shares | 54,64,381 | 37,99,173 | 50,22,136 | 37,99,173 |
| | - Percentage of shares (as a % of the total shareholding of Promoter and Promoter group) | 24.03 | 16.71 | 21.99 | 16.71 |
| | - Percentage of shares (as a % of the total share capital of the company) | 7.76 | 5.39 | 7.13 | 5.39 |
| | PARTICULARS | | | | |
| B | INVESTOR COMPLAINTS | | | | |
| | Pending at the beginning of the quarter | | - NIL - | | |
| | Received during the quarter | | 4 | | |
| | Disposed of during the quarter | | 4 | | |
| | Remaining unresolved at the end of the quarter | | - NIL - | | |
| | * EPS for the period is not annualised. | | | | |
| 1 | The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 11, 2014 and have been subjected to limited review by the statutory auditors. | | | | |
| 2 | The Company is operating in single segment (i.e) "Pharmaceuticals". | | | | |
| 3 | The Company's application for Debt Restructuring has been admitted by the CDR Empowered Group and final approval for the restructuring package is expected before end of February 2014. | | | | |
| 4 | The Company has entered into a Business Transfer Agreement (BTA) dated August 29, 2012 with Hospira Healthcare India Private Limited for the sale and transfer of Orchid's Penicillin and Penem API business and the API facility located in Aurangabad (Maharashtra) together with an associated Process R&D Infrastructure located in Chennai. The Business Transfer is likely to get completed after the approval of the CDR package and accordingly provision for taxation has been made on the assumption that the Business Transfer will be completed before March 31, 2014. | | | | |
| 5 | Exceptional items for three months ended December 31, 2013 represents amortisation of exchange loss on restatement of Foreign currency loans. | | | | |
| 6 | The Company had exercised the option provided under the Companies (Accounting Standards) Amendment Rules, 2006 dated March 31, 2009. The Ministry of Corporate affairs vide notification dated 29/12/2011 has extended the amortisation of gains or losses arising on reporting of foreign currency monetary items over the balance period of such long term asset/liability. Accordingly exchange loss on long term foreign currency loans have been amortised over the balance period of such loans. The amount remaining to be amortised in the financial statements as at December 31, 2013 on account of exercising the above option is Rs.15427.18 Lakhs. | | | | |
| 7 | The auditors have observed matters relating to recovery of certain advances paid to suppliers, non-provision of diminution in value of investments in a foreign R&D subsidiary and non-provision of penal interest on loans taken by the Company. The Company has already been admitted for Corporate Debt Restructuring scheme and the final approval for the scheme is expected before end of February 2014. Due to financial constraints, the Company was not able to take delivery of materials/capital goods and the company is confident that with the CDR approval, the company would be able to take delivery of these materials in due course. As far as the diminution in value of investments is concerned, the Company is confident that the value of molecules held by the foreign subsidiary will be more than the investment. With the approval for the CDR scheme, the interest liability will come down and hence there will be no need for any provision for penal interest. The management confirms that there will be no impact on the financials on account of the matters referred to in the audit report. | | | | |
| 8 | Previous period figures have been regrouped wherever necessary. | | | | |
| | Place : Chennai | | | | |
| | Date : February 11, 2014 | | | | |




K. Raghavendra Rao
 Chairman & Managing Director

BSE: 524372 NSE: ORCHIDCHEM Bloomberg: OCP@IN Reuters: ORCD:BO

Q1 FY14 Earnings

Chennai, India – February 11, 2014

Orchid Pharma registers turnover of Rs. 372 crore in Q1 FY14, an increase of 19% YoY, EBITDA of Rs.109 Cr and EBIT of Rs.52 Cr.

Financial highlights for Quarter ended December 31, 2013 (Q1 FY14)

- Revenue of Rs 371.60 crore (US\$ 60.1 million) in the quarter ended December 31, 2013 (Q1 FY14) as against Rs 313.53 crore (US\$ 50.7 million) in the quarter ended December 31, 2012 (Q3 FY13) registering an increase of 19% YOY.
- EBITDA of Rs 109.49 crore (US\$ 17.7 million) in the quarter ended December 31, 2013 versus Rs 23.35 crore (US\$ 3.8 million) in the quarter ended December 31, 2012
- Loss before Tax of Rs 53.90 crore (US\$ 8.7 million) in the quarter ended December 31, 2013 compared to a loss before tax of Rs 91.99 crore (US\$ 14.9 million) during the quarter ended December 31, 2012
- At the net level, the company registered a loss of Rs 53.90 crore (US\$ 8.7 million) in the quarter ended December 31, 2013 compared to a loss of Rs 72.36 crore (US\$ 11.7 million) during the quarter ended December 31, 2012

Financial year revision

The company had extended its last financial year (FY 2012-13) by 6 months to September 30, 2013. Consequently, the current financial year (FY 2013-14) would consist of only of 6 months, i.e., from October 01, 2013 to March 31, 2014.

*** 1 US\$ = Rs 61.81**

From the Chairman & Managing Director

“Though the Company continues to face tight working capital situation, the approval for the Corporate Debt Restructuring Package (CDR), expected before end of February 2014 would facilitate completion of Penicillin and Carbapenem Business Transfer to Hospira and also bring in working capital availability from deal proceeds besides deleveraging debt profile. With this the Company would be on a better platform to achieve improved performance in the quarters to come” said Mr K Raghavendra Rao, Chairman & Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

‘Orchid Towers’, #313, Valluvar Kottam High Road, Nungambakkam, Chennai 600 034 INDIA



About Orchid Pharma

Orchid Chemicals & Pharmaceuticals Ltd. is a leading pharmaceutical company headquartered in Chennai, India involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals. With exports spanning more than 75 countries, Orchid is the largest manufacturer-exporter of cephalosporin bulk actives in India and is ranked amongst the Top 5-cephalosporin producers in the world. Orchid's world-class manufacturing infrastructure including USFDA and UK MHRA approved API and dosage form facilities are located at Chennai and Aurangabad. Orchid has dedicated state-of-the-art GLP compliant R&D centres for API research, drug discovery and pharmaceutical research at Chennai. Orchid has ISO 9001:2000, ISO 14001 and OHSAS 18001 certifications. Orchid is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and the Madras Stock Exchange (MSE) in India.

Additional information is available at the company's website at www.orchidpharma.com

Safe Harbour

This release may include forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects" and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in the markets we operate in;
- The ability to successfully implement our strategies, our research and development efforts, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

For ORCHID CHEMICALS &
PHARMACEUTICALS LTD.



Executive Vice President - Finance & Secretary

'Orchid Towers', #313, Valluvar Kottam High Road, Nungambakkam, Chennai 600 034 INDIA

SNE ASSOCIATES

CHARTERED ACCOUNTANTS

12, 3rd Floor, Gemini Parsn Complex. 121 Mount Road, Chennai - 600 006.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED

ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS
FOR THE PERIOD 3 MONTHS ENDED DECEMBER 31, 2013

We have reviewed the accompanying statement of unaudited financial results of **ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED** ("the Company") for the period 3 months ended 31st December 2013 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures, made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim 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 financial statements are free of material misstatement. 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.

- I. The Company has given advances amounting to Rs. 537.76 Crores to various parties and are outstanding as on December 31, 2013. The Company has not received any materials/ capital goods from the time these specific advances were given. As per information and explanation given, the Company is not able to take delivery of materials due to financial constraints. We are not able to express any opinion on the recoverability of these amounts.**
- II. The Company has investments of Rs. 94.82 Crores and loans of Rs. 34.25 Crores in a wholly owned subsidiary Bexel Pharmaceuticals Inc. The subsidiary has not been spending any money on the research on the molecule during the current period as no financial support is given by the parent Company and the parent Company has not allocated any**



funds for the future development. In view of the above, it is necessary to impair the value of this investment as no information is available with the Company regarding the value that can be recovered from the sale of rights over the molecule possessed by the Subsidiary.

- III.** *The Company has gone for Debt Restructuring process and in view of the same, the Company has not received confirmation of balance relating to Loans and other funded and non-funded dues from various banks as on December 31, 2013. Books have been closed on the basis of the information provided by various banks to the Corporate Debt Restructuring Empowered Group. Moreover, interest has been accounted for to the extent debited by the banks/ information provided by the banks. No provisions have been made in respect of dues to banks where such debit/ information have not been made/ provided by the banks.*

Based on our review conducted as above, subject to the previous paragraphs(I to III) above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is disclosed, or that it contains any material misstatements .

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N



Date: February 11, 2014
Place: Chennai

A handwritten signature in black ink, appearing to be "T.K. Shanmugam".

T.K. Shanmugam
Partner
Membership No. 016195