

Media release

Chennai, India - March 14, 2014

CDR Package Approval

Chennai-based Orchid Pharma today announced that the **Corporate Debt Restructuring Empowered Group (CDR EG)** has approved the **Debt Restructuring Package** and the CDR EG has issued the **Letter of Approval (LoA)** dated March 10, 2014 and the **Board of Directors** of the company have approved the same today.

The salient features of the CDR scheme, include:

- The sale and transfer of Orchid's Penicillin and Penems (including Carbapenems) API business together with its manufacturing facilities at Aurangabad, Maharashtra and Associated Research and Development (R&D) facility at Sholinganallur, Chennai.
- Repayment (Rs 681 crore) of a portion of the total debt to lenders out of the sale proceeds and restructuring of the balance debt (Rs 2866 crore).
- Interest funding for the first two years from the cut-off date (April 01, 2013) for interest on term debts and one year for interest on working capital borrowings.
- Carving out a portion of sale proceeds for meeting the working capital requirements of the Company.
- The restructured debt together with funded loans would have to be repaid over a period of 8 years starting from April 2015 subject to regulatory approvals.
- The restructuring process would be implemented by an appointed Monitoring Committee (MC) of CDR lenders.

From the Chairman & Managing Director

"The approval of the Corporate Debt Restructuring Package (CDR) would facilitate completion of the Penicillin and Carbapenem API Business Transfer to Hospira and also bring in working capital availability from the deal proceeds besides deleveraging the debt profile. With this the Company would be on a better platform to achieve improved

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performance going forward,” said Mr K Raghavendra Rao, Chairman & Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

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

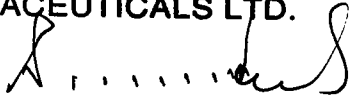
Safe Harbor

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

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