

May 27, 2016

**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: Outcome of Board Meeting
Ref: Security Symbol - ORCHIDPHAR

In accordance with the Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, we would like to inform that the Board of Directors at their meeting held on May 27, 2016 have approved the Standalone & Consolidated Audited Financial Results for the year ended 31st March 2016.

A copy of the Audited Financial Results of the Company and Auditors Report along with Form B is enclosed for your reference and records.

Thanking you,

Yours faithfully,



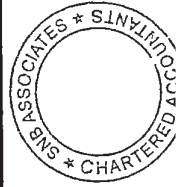
L Chandrasekar
Executive VP – Finance & Secretary

Encl.: a/a

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

Sl. No.	Particulars	Three months ended			Year ended	18 months ended	Consolidated for Year ended	Consolidated for 18 months ended
		31-03-2016 (Unaudited)	31-12-2015 (Unaudited)	31-03-2015 (Unaudited)				
1	Income from Operations							
	a) Net Sales / Income from Operations (Net of Excise Duty)	20,366.73	20,188.59	28,293.87	86,611.46	1,71,267.16	85,949.99	1,71,441.78
	b) Other Operating Income	477.14	186.45	2,183.95	1,322.39	4,105.45	1,393.92	4,972.28
	Total Income from Operations (net)	20,843.87	20,375.04	30,477.82	87,933.85	1,75,372.61	87,343.91	1,76,414.06
2	Expenses							
	a) Cost of Materials consumed	7,133.25	7,973.86	19,351.27	36,701.01	82,654.71	37,051.89	82,424.44
	b) Purchases of Stock-in-Trade	20.68	320.76	4.69	3,701.23	1,709.56	3,701.23	1,709.56
	c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	1,820.81	1,665.98	(3,697.74)	1,528.82	(6,231.19)	(656.66)	(6,231.19)
	d) Employee benefits expense	1,683.87	2,138.81	2,137.61	8,263.08	18,579.19	8,680.93	19,382.37
	e) Depreciation and Amortisation expense	3,504.98	3,584.34	6,027.21	14,341.22	32,137.24	14,526.65	32,458.46
	f) Other Expenses	5,377.67	4,413.91	3,986.17	18,789.81	42,520.81	21,487.78	43,245.94
	Total Expenses	19,541.26	20,097.66	27,809.21	83,325.17	1,71,370.32	84,791.82	1,72,989.58
3	Profit / (Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)	1,302.61	277.38	2,668.61	4,608.68	4,002.29	2,552.09	3,424.48
4	Other Income	915.76	-	6.20	916.69	83.90	2,490.58	93.28
5	Profit / (Loss) from Ordinary activities before Finance cost and Exceptional Items (3+4)	2,218.37	277.38	2,674.81	5,525.37	4,086.19	5,042.67	3,517.76
6	Finance costs	7,134.38	7,613.55	10,452.60	29,423.18	53,700.87	29,424.49	53,712.45
7	Profit/(loss) from Ordinary activities after Finance costs but before Exceptional Item (5-6)	(4,916.01)	(7,336.17)	(7,777.79)	(23,897.81)	(49,614.68)	(24,381.82)	(50,194.69)
8	Exceptional Item - Gain/(Loss)	(1,362.31)	(1,366.23)	(10,093.46)	(5,254.53)	(15,726.30)	(5,254.53)	(15,726.30)
9	Profit/(Loss) before Tax (9+10) from Ordinary activities before Tax (7+8)	(6,278.32)	(8,702.40)	(17,871.25)	(29,152.34)	(65,340.98)	(29,636.35)	(65,920.99)
10	Tax expense	96.00	700.00	(7,885.28)	(1,725.07)	(19,175.48)	(1,725.07)	(19,145.75)
11	Net Profit/(Loss) from Ordinary activities after Tax (9 ± 10)	(6,374.32)	(9,402.40)	(9,985.97)	(27,427.27)	(46,165.50)	(27,911.27)	(46,775.24)
12	Extra-ordinary items - Gain/(Loss) (Net of Tax)	-	-	(4,818.99)	-	27,061.48	-	27,061.78
13	Net Profit/(Loss) for the period (11 ± 12)	(6,374.32)	(9,402.40)	(14,804.96)	(27,427.27)	(19,104.02)	(27,911.27)	(19,713.46)
14	Share of Profit / (Loss) in Associate	-	-	-	-	-	-	(13.63)
15	Less: Minority Interest	-	-	-	-	-	-	(61.82)
16	Net Profit/(Loss)	(6,374.32)	(9,402.40)	(14,804.96)	(27,427.27)	(19,104.02)	(27,911.27)	(19,665.27)
17	Paid-up Equity Share Capital (Face value of Rs.10/- each)	8,896.43	8,896.43	8,526.19	8,896.43	8,526.19	8,896.43	8,526.19
18	Reserves excluding Revaluation Reserves	-	-	-	8,217.04	35,413.65	(3,991.94)	24,412.38
19	Earnings per share (EPS) before extra-ordinary items (of Rs.10 each)	(7.32)	(10.57)	(11.71)	(31.51)	(63.10)	(32.07)	(63.94)
	- Basic Rs.*	(7.32)	(10.57)	(11.71)	(31.51)	(63.10)	(32.07)	(63.94)
	- Diluted Rs.*	(7.32)	(10.57)	(11.71)	(31.51)	(63.10)	(32.07)	(63.94)
20	Earnings per share (EPS) after extra-ordinary item (of Rs.10 each)	(7.32)	(10.57)	(17.36)	(31.51)	(26.11)	(32.07)	(26.88)
	- Basic Rs.*	(7.32)	(10.57)	(17.36)	(31.51)	(26.11)	(32.07)	(26.88)
	- Diluted Rs.*	(7.32)	(10.57)	(17.36)	(31.51)	(26.11)	(32.07)	(26.88)

* EPS for the period (not annualised)
See accompanying note to the Financial Results

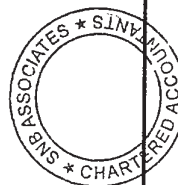


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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

		Rs. lakhs
1	The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 27, 2016.	
2	The Company is operating in a single segment (i.e) "Pharmaceuticals".	
3	Exceptional items for quarter / year ended March 31, 2016 includes amortisation of exchange loss on restatement of Foreign currency loans amounting to Rs.1362.31 Lakhs and Rs.5254.53 Lakhs (Corresponding previous quarter Rs. 1093.46 Lakhs and for the 18 months period ended Rs. 6159.29 Lakhs)	
4	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 March 31, 2016 on account of exercising the above option is Rs.10,365.05 Lakhs.	
5	From 01/04/2015, the Company has adopted Schedule II rates as provided in the Companies Act, 2013. On account of adoption of these rates, the depreciation for the quarter / year ended 31/03/2016 is lower by Rs.799.96 Lakhs / Rs.2818.50 Lakhs. In accordance with the transition provision available under Schedule II, a sum of Rs.1681.81 Lakhs has been debited to Reserves. These provisions have been adopted since this is the first financial year commencing after the effective date of Companies Act, 2013 came in to force.	
6	Interest expenses for the quarter/year ended March 31, 2016 is net of interest earned Rs.484.92 Lakhs and Rs.1876.42 Lakhs (Corresponding previous quarter/ 18 months period Rs.621.07 Lakhs and Rs. 1506.65 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 foreign R&D subsidiaries and holdback money receivable. The Corporate Debt Restructuring scheme already approved has been implemented in July 2014. Due to financial constraints, the Company was not able to take delivery of materials/capital goods. The Company is confident that it would be able to take delivery of these materials/capital goods in due course, based on its performance. During the third quarter the Company, through its subsidiary, has entered in a long term financial arrangement which will help the Company explore new growth opportunities while enabling the current business achieve incremental value. This will also enable the Company to fulfill all capital commitments and take delivery of the materials / capital goods / adjust the advances. As far as the diminution in value of investments is concerned, the Company is confident that the value of intellectual property of molecules held by the foreign subsidiaries will be more than the investment. In respect of holdback money claims, the company has refused its claims through its lawyers. Hence the Board of Directors considering the explanation given by the Management is of the opinion that the observations made by the auditors will not have any material impact on the financials.	
8	Previous period figures have been regrouped wherever necessary.	
9	Current year figures are not strictly comparable with previous period figures, which is for 18 months.	
10	The statement includes the results for the quarter ended 31/03/2016, being the balancing figures between audited figures in respect of the full financial year and unaudited year to date figures up to the third quarter of the current financial year.	

Place : Chennai
Date : May 27, 2016



For and on behalf of the Board

K. Raghavendra Rao
Managing Director





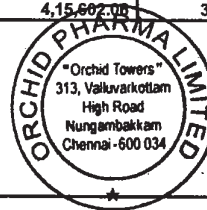
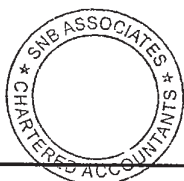
Orchid Pharma Ltd.
(Formerly Orchid Chemicals & Pharmaceuticals Ltd.)

STATEMENT OF ASSETS AND LIABILITIES

Rs. Lakhs

A	Particulars	Standalone Audited		Consolidated Audited	
		As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES					
1	Shareholders' funds				
	(a) Share Capital	8,896.43	8,526.19	8,896.43	8,526.19
	(b) Reserves and Surplus	8,217.04	35,413.65	(3,991.94)	24,412.38
	Sub-total- Shareholders' funds	17,113.47	43,939.84	4,904.49	32,938.57
2	Non-current liabilities				
	(a) Long-term borrowings	2,37,725.03	2,49,395.37	2,37,725.02	2,49,395.36
	(b) Deferred tax liabilities (net)	9,414.23	11,139.30	9,414.23	11,121.45
	(c) Long-term provisions	373.09	417.94	373.09	417.94
	Sub-total- Non-current liabilities	2,47,512.35	2,60,952.61	2,47,512.34	2,60,934.75
3	Current liabilities				
	(a) Short-term borrowings	63,362.38	64,664.16	63,379.07	64,664.16
	(b) Trade payables	35,308.80	29,584.99	37,426.63	31,115.02
	(c) Other current liabilities	28,533.99	11,237.36	28,563.09	11,263.91
	(d) Short-term provisions	4,421.59	5,223.10	4,421.59	5,223.10
	Sub-total-Current liabilities	1,31,626.76	1,10,709.61	1,33,790.38	1,12,266.19
	TOTAL-EQUITY AND LIABILITIES	3,96,252.58	4,15,602.06	3,86,207.21	4,06,139.51
ASSETS					
1	Non-current assets				
	(a) Fixed assets	1,82,076.30	1,97,861.45	1,91,723.27	2,07,671.53
	(b) Non-current investments	12,464.72	12,464.72	81.19	81.19
	(c) Long-term loans and advances	56,581.90	58,013.50	56,581.90	58,013.50
	(d) Other non-current assets	12,701.07	12,583.68	12,701.07	12,561.23
	Sub-total- Non-current assets	2,63,823.99	2,80,923.35	2,61,087.43	2,78,327.45
2	Current assets				
	(a) Inventories	21,034.45	24,227.83	24,184.91	25,192.80
	(b) Trade receivables	37,544.03	29,016.36	31,007.45	25,656.70
	(c) Cash and cash equivalents	31,311.22	38,956.65	31,494.01	39,056.50
	(d) Short-term loans and advances	32,038.89	31,977.87	27,933.41	27,406.06
	(e) Other Current Assets	10,500.00	10,500.00	10,500.00	10,500.00
	Sub-total-current assets	1,32,428.59	1,34,678.71	1,25,119.78	1,27,812.06
	TOTAL ASSETS	3,96,252.58	4,15,602.06	3,86,207.21	4,06,139.51

Place : Chennai
Date : May 27, 2016



For and on behalf of the Board

K. Raghavendra Rao

K. Raghavendra Rao
Managing Director

SNB ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ORCHID PHARMA LIMITED (PREVIOUSLY KNOWN AS ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED)

We have reviewed the accompanying statement of standalone financial results of ORCHID PHARMA LIMITED (PREVIOUSLY KNOWN AS ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED) ("the Company") for the year ended 31st March 2016 (the statement) being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. This statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the related standalone financial statements which is accordance with the Accounting standards prescribed under section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the Accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- I. The Company has given advances amounting to Rs. 679 crores to various parties and are outstanding as on March 31, 2016. The Company has not received any materials/ capital goods against these advances. 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.***



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- II.** *The Company has investments of Rs. 123.07 Crores and loans of Rs. 36.11 Crores in two subsidiaries carrying on research and development activities. These subsidiaries have not been spending any money on the research 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. No information is also available with the company regarding the value of molecules available with the company. In view of the above, it is necessary to impair the value of this investment.*
- III.** *The holdback amount receivable from party under the BTA agreement is subject to confirmation and reconciliation due to claims raised by the purchaser. The amount of such claims made by the purchaser, disputed by the Company and hence not provided for is approximately Rs. 50 crores.*

In our opinion and to the best of our information and according to the explanations given to us subject to the previous paragraphs (I to III) above, the statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting standards and other Accounting principles generally accepted in India of the net loss and other financial information of the company for the year ended 31st March 2016.

The statement includes the results for the quarter ended 31st March 2016, being the balancing figure between audited figures in respect of the full financial year and unaudited year to date figures up to the third quarter of the current financial year.

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N




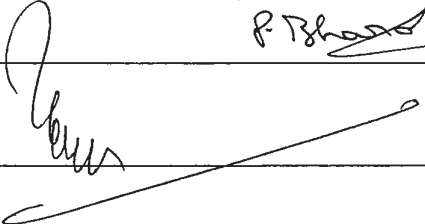


P BHARATH KUMAR
Partner
M.No: 222579



Date: May 27, 2016
Place: Chennai

FORM B (for audit report with modified opinion)

1.	Name of the Company	Orchid Pharma Limited (Previously known as Orchid Chemicals and Pharmaceuticals Limited)
2.	Annual Standalone financial statements for the year ended	31 st March 2016
3.	Type of Audit qualification	Qualified opinion
4.	Frequency of qualification	Point number 1 and 2 are repetitive from period 18 months ended 30 th September 2013 Point number 3 is for financial year ending 31 st March 2016
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Management response attached
	Additional comments from board/ audit committee Chair:	The Board of Directors considering the explanation given by the Management is of the opinion that the above observations made by the Auditors will not have any material impact on the financials of the Company.
	Signed by	
	Managing Director	
	CFO	
	Auditor of the Company	We only con form the qualifications made. 
	Audit Committee chairman	

Orchid Pharma Limited
(Formerly Orchid Chemicals & Pharmaceuticals Limited)

S.No	Auditor's Observation	Management Response
1.	<p>The Company has given advances amounting to Rs. 679 crores to various parties and are outstanding as on March 31, 2016. The Company has not received any materials/ capital goods against these advances. 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.</p>	<p>Note Ref: Note No: 14 (Long Term Loans & Advances) and Note No: 19 (Short Term Loans & Advances) of the Financial Statements:</p> <p>For meeting a) the future business expansions, b) for sustaining the current regulatory approvals and customer expectations and c) also to meet the demand for some of the existing products which are increasing both in regulated markets and emerging markets, the company has given advances to Vendors for supply of capital goods and materials. The Company is currently under the Corporate Debt Restructuring (CDR) scheme. Due to financial constraints, the Company was not able to take delivery of materials /capital goods and the Company is confident that with the revival under the CDR regime and with the plans of infusion of alternate funding, the Company would be able to take delivery of these materials in due course.</p>
2.	<p>The Company has investments of Rs. 123.07 Crores and loans of Rs. 36.11 Crores in two subsidiaries carrying on research and development activities. These subsidiaries have not been spending any money on the research 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. No information is also available with the company regarding the value of molecules available with the company. In view of the above, it is necessary to impair the value of this investment.</p>	<p>Note Ref. : Note No: 13 (Non-Current Investments) of the Financial Statements:</p> <p>As far as the diminution in value of investments is concerned, the Company is confident that the value of molecules held by the foreign subsidiaries will be more than the investment, as per the valuation of these molecules in its current status.</p>

Orchid Pharma Limited
(Formerly Orchid Chemicals & Pharmaceuticals Limited)

3.	<p>The holdback amount receivable from party under the BTA agreement is subject to confirmation and reconciliation due to claims raised by the purchaser. The amount of such claims made by the purchaser, disputed by the Company and hence not provided for is approximately Rs. 50 crores</p>	<p>Note Ref: Note No: 20 (Other Current Assets) of the financial statements:</p> <p>In respect of holdback money claims, the company has refuted its claims through its lawyers. As the BTA transaction has been done in accordance with the CDR terms and conditions and the holdback amount has been captured in the CDR package as receivable after a period of 18 months from the date of BTA, the Co. is confident of receiving the holdback amount from the party.</p>

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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
ORCHID PHARMA LIMITED (PREVIOUSLY KNOWN AS ORCHID CHEMICALS AND
PHARMACEUTICALS LIMITED)

We have audited the accompanying statement of consolidated financial results of ORCHID PHARMA LIMITED (PREVIOUSLY KNOWN AS ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED) ("the Company") and its Subsidiaries (the Company, the Subsidiary and associate together referred to as the 'the group'), for the year ended 31st March 2016 ("the statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. This statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which is accordance with the Accounting standards prescribed under section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the Accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- I. The Company has given advances amounting to Rs. 679 crores to various parties and are outstanding as on March 31, 2016. The Company has not received any materials/***



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capital goods against these advances. 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 consolidated financial statements carries an intangible asset of Rs.94.82 Crores representing goodwill relating to one of the Company's wholly owned subsidiary viz., Bexel Pharmaceuticals Inc. The subsidiary has not been spending any money on the research on the molecule 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 intangible asset 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 holdback amount receivable from party under the BTA agreement is subject to confirmation and reconciliation due to claims raised by the purchaser. The amount of such claims made by the purchaser, disputed by the Company and hence not provided for is approximately Rs. 50 crores.**

We did not audit the financial statements of the five subsidiaries included in the consolidated financial results, whose financial statements reflect total liabilities (net) of Rs. (8950.45 Lakhs) as at 31st March, 2016 and total revenues of Rs.6432.56 Lakhs for the year ended 31st March, 2016 and total loss after tax of Rs.133.93 Lakhs for the year ended 31st March, 2016, as considered in the consolidated financial results. The consolidated financial statements does not include the group's share of net profits/loss of an associate for the year ended 31st March 2016, as financial statements/financial information have not been received by Management. These financial statements of subsidiaries 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 management approved financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements/ financial information are not material to the group.

In our opinion and to the best of our information and according to the explanations given to us, subject to previous paragraphs (I to III) above the Statement

- I. Include the financial results of the following entities**
 - Orchid Europe Limited, UK – Subsidiary company
 - Orchid Pharmaceuticals Inc., USA – Subsidiary company
 - Orgenus Pharma Inc., USA – (subsidiary of Orchid Pharmaceuticals Inc USA)
 - Orchid Pharmaceuticals SA (proprietary) Limited, South Africa (OCPL, SA) – Subsidiary company
 - Bexel Pharmaceuticals Inc., USA - Subsidiary company
 - Diakron Pharmaceuticals Inc., USA - Subsidiary company
- II. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015; and**



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- III. gives a true and fair view in conformity with the aforesaid Accounting standards and other Accounting principles generally accepted in India of the consolidated net loss and other financial information of the company for the year ended 31st March 2016.

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N


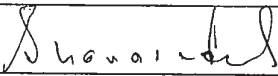
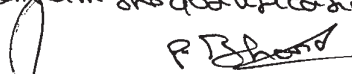
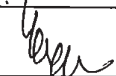
P. Bharath Kumar

P BHARATH KUMAR
Partner
Membership No: 222579



Date: May 27, 2016
Place: Chennai

FORM B (for audit report with modified opinion)

1.	Name of the Company	Orchid Pharma Limited (Previously known as Orchid Chemicals and Pharmaceuticals Limited)
2.	Annual Consolidated financial statements for the year ended	31 st March 2016
3.	Type of Audit qualification	Qualified opinion
4.	Frequency of qualification	Point number 1 and 2 are repetitive from period 18 months ended 30 th September 2013 Point number 3 is for financial year ending 31 st March 2016
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Management response attached
	Additional comments from board/ audit committee Chair:	The Board of Directors considering the explanation given by the Management is of the opinion that the above observations made by the Auditors will not have any material impact on the consolidated financials of the Company.
	Signed by	
	Managing Director	
	CFO	
	Auditor of the Company	w/only confirm the qualifications made. 
	Audit Committee chairman	

Orchid Pharma Limited
(Formerly Orchid Chemicals & Pharmaceuticals Limited)

S.No	Auditor's Observation	Management Response
1.	<p>The Company has given advances amounting to Rs. 679 crores to various parties and are outstanding as on March 31, 2016. The Company has not received any materials/ capital goods against these advances. 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.</p>	<p>Note Ref: Note No: 15 (Long Term Loans & Advances) and Note No: 20 (Short Term Loans & Advances) of the consolidated Financial Statements:</p> <p>For meeting a) the future business expansions, b) for sustaining the current regulatory approvals and customer expectations and c) also to meet the demand for some of the existing products which are increasing both in regulated markets and emerging markets, the company has given advances to Vendors for supply of capital goods and materials. The Company is currently under the Corporate Debt Restructuring (CDR) scheme. Due to financial constraints, the Company was not able to take delivery of materials /capital goods and the Company is confident that with the revival under the CDR regime and with the plans of infusion of alternate funding, the Company would be able to take delivery of these materials in due course.</p>
2.	<p>The consolidated financial statements carries an intangible asset of Rs 94.82 Crores representing goodwill relating to one of the Company's wholly owned subsidiary viz., Bexel Pharmaceuticals Inc. The subsidiary has not been spending any money on the research on the molecule 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 intangible asset as no information is available with the Company regarding the value that can be recovered from the</p>	<p>Note Ref. : Note No:13 (Fixed Assets) of the Consolidated Financial Statements:</p> <p>The Company is confident that the value of molecules held by the foreign subsidiary will be higher than the investment, as per the valuation of these molecules in its current status. Hence no impairment was considered necessary for the Goodwill.</p>

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	sale of rights over the molecule possessed by the Subsidiary	
3.	The holdback amount receivable from party under the BTA agreement is subject to confirmation and reconciliation due to claims raised by the purchaser. The amount of such claims made by the purchaser, disputed by the Company and hence not provided for is approximately Rs. 50 crores	Note Ref: Note No: 21 (Other Current Assets) of the consolidated financial statements: In respect of holdback money claims, the company has refuted its claims through its lawyers. As the BTA transaction has been done in accordance with the CDR terms and conditions and the holdback amount has been captured in the CDR package as receivable after a period of 18 months from the date of BTA, the Co. is confident of receiving the holdback amount from the party.