

## Annexure IV to the Board's Report

# CORPORATE GOVERNANCE REPORT

### CORPORATE INSOLVENCY RESOLUTION PROCESS

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, had admitted a petition filed by M/s Lakshmi Vilas Bank Ltd in its capacity as Operational creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) ("Code") for initiation of Corporate Insolvency Resolution Process ("CIRP") for Orchid Pharma Limited ("the Company"). Shri Rajasekaran (IP Registration no: IBBI/IPA-003/IP-N00053/2017-18/10493) was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company in accordance with the provisions of Code. Further, Shri. Sripatham Venkatasubramanian Ramkumar (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the Resolution Professional (RP) of the Company, as approved at the Committee of Creditors ("COC") meeting held on October 3, 2017, which was confirmed by the Honourable National Company Law Tribunal, Chennai Bench vide their order dated October 27, 2017. In view of the pendency of the CIRP, the powers of the Board of Directors stood suspended and the management of the affairs of the Company was vested with the RP.

In furtherance of the above, the Resolution plan submitted by M/s. Dhanuka Laboratories Limited ("DLL~ Resolution Applicant") as approved by the Committee of Creditors of Orchid Pharma Limited ("OPL") was approved at the hearing held on 25<sup>th</sup> June 2019 by the Hon'ble National Company Law Tribunal, Court-II, Chennai bench (NCLT). However, one of the unsuccessful bidder filed an application before the Hon'ble NCLT seeking to consider their Resolution plan which was dismissed by the Hon'ble NCLT, Chennai on June 27, 2019. Pursuant to the said Order of dismissal, the Unsuccessful bidder preferred an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) and the Hon'ble NCLAT, New Delhi on July 26, 2019 stayed the Order dated June 27, 2019 passed by the Hon'ble NCLT, Chennai. The matter was heard by NCLAT, New Delhi in August 2019 and on November 13, 2019. The Hon'ble NCLAT, New Delhi set aside the Order passed by the Hon'ble NCLT, Chennai approving the Resolution plan and remitted the matter back to Hon'ble NCLT, Chennai for a decision in accordance with law. State Bank of India, one of the members of the financial creditors of Orchid Pharma Ltd. has preferred an appeal before the Hon'ble Supreme Court of India against the Order dated November 13, 2019 of NCLAT as stated herein above. The case was listed in Supreme Court on 06<sup>th</sup> December, 2019 and they granted a stay of further proceedings on this matter.

Further, the Hon'ble Supreme Court vide its Order dated February 28, 2020 (received on March 02, 2020) has approved the Resolution Plan ("Resolution Plan") of M/s. Dhanuka Laboratories Limited ("DLL") under MA/579 /2019 in CP /540 /IB /2017 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

The DLL Resolution Plan, as approved by the NCLT, is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved therein, as per the provisions of the Code. The NCLT also approved appointment of Shri. Sripatham Venkatasubramanian Ramkumar as Monitoring agent as authorised by the Monitoring Committee until closing date to supervise the implementation of the DLL Resolution plan.

Pursuant to and in accordance with the implementation of the approved Resolution plan, the existing Board of Directors of the Company (Directors prior to the approval of Resolution plan) were deemed to have resigned and the Board has been reconstituted and entrusted with the management of the Company. Accordingly, Your Company is now a Subsidiary of M/s Dhanuka Laboratories Limited.

### A. Company's Philosophy on Code of Corporate Governance

At Orchid, we are committed to practicing good Corporate Governance norms. Orchid believes in adhering to Corporate Governance code to ensure protection of its investor's interest as well as healthy growth of the Company. The philosophy of your Company in relation to Corporate Governance is to achieve and maintain the highest standard of Corporate Governance by providing adequate and timely information to all the shareholders and recognizing the rights of its shareholders and encouraging co-operation between the Company and the stakeholders.

### B. Board of Directors

#### 1. Composition of Board

During the pendency of CIRP, the powers of the Board of Directors of the Company were suspended and all the powers of the Board were instead exercised by the Resolution Professional/ Monitoring Committee constituted for the Company. Pursuant to the implementation of the approved Resolution Plan, the Board was reconstituted on March 31, 2020.

Pursuant to SEBI Notification no. SEBI/LAD-NRO/GN/2018/21 dated May 31, 2018, the provisions as specified in Regulations 17, 18, 19, 20 and 21 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related to Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee respectively, shall not be applicable in respect of a listed entity which is undergoing CIRP under the Insolvency Code. However, the role and responsibilities of the Board of Directors as specified under Regulation 17 and the role and responsibilities of the Committees as specified under Regulations 18, 19 and 20 shall be fulfilled by the IRP/ RP / Monitoring agent as authorised by Monitoring Committee in accordance with the provisions of the Insolvency Code.



Shri K Raghavendra Rao, Promoter and erstwhile Managing Director was the only Director on the Board of your Company till December 2019. However with effect from December 2019, he ceased to be Director of the Company, as per the Registrar of Companies, Chennai list published in Ministry of Corporate website in December 2019 disclosing his cessation as Director with effect from November 01, 2018.

Post the Order of the Hon'ble Supreme Court of India dated February 28, 2020, the Monitoring Committee on March 31, 2020 appointed Shri Ram Gopal Agarwal, Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka as Additional Directors (Promoter, Non-Executive) on the Board of the Company who shall hold office up to the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. All

the four Directors are related to each other.

The Board was reconstituted on March 31, 2020 pursuant to the implementation of the Approved Resolution plan comprised of Four (4) Directors (Additional, Non-Executive and Non-Independent). However, the reconstitution of the Board and Committees in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was pending on March 31, 2020.

The reconstitution of the Board and Committees in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was done at the Board meeting held on June 29, 2020 where in Dr. Dharam Vir, Shri Manoj Kumar Goyal, Smt. Tanu Singla and Shri Mudit Tandon were inducted as Additional Directors (Non-Executive, Independent).

**The composition of Board and the details of directorships in other Companies and Committee positions during the year ended March 31, 2020 are as follows:**

Composition of Board of Directors					
S. No	Name(s) of the Directors(s)	Category	Number of Directorship held in other ~ Public (listed and unlisted) companies as on March 31, 2020	Number of Board committee positions held in other companies as on March 31, 2020	
				Member *	Chairman *
1	Shri Ram Gopal Agarwal (DIN: 00627386)	Promoter Group - Additional Director- Non Executive Director	1	-	-
2	Shri Manish Dhanuka (DIN: 00238798)	Promoter Group - Additional Director- Non Executive Director	1	-	-
3	Shri Mridul Dhanuka (DIN: 00199441)	Promoter Group - Additional Director- Non Executive Director	2	-	-
4	Shri Arun Kumar Dhanuka (DIN: 00627425)	Promoter Group - Additional Director- Non Executive Director	2	1	-
5	Shri K Raghavendra Rao@ (DIN: 0010096)	Erstwhile Managing Director	-	-	-

~ Directorships do not include Directorships of Private Limited Companies, LLP and Companies incorporated under Section 8 of the Companies Act, 2013

\*As required by Regulation 26 of the SEBI (LODR) Regulations, the disclosure includes Membership/Chairmanship of the Audit committee and Stakeholder relationship Committee across all other Public Limited companies (excluding Orchid Pharma Limited)

None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all companies in which they are Directors.

@ Disqualified u/s 164(2) (a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Company Act, 2013.

#### **Name of the listed company other than Orchid Pharma Limited where the Directors hold Directorship**

Shri Ram Gopal Agarwal - M/s. Dhanuka Agritech Limited- Whole Time Director and Chairman

Shri Mridul Dhanuka - M/s. Dhanuka Agritech Limited- Executive Director

Shri Arun Kumar Dhanuka - M/s. Dhanuka Agritech Limited- Executive Director

None of the Directors other than as stated above are on the Board of any other listed entity.

## **2. Board Meetings & Attendance record of the Directors**

Corporate Insolvency Resolution Process was initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 by an Order of the Hon'ble National

Company Law Tribunal (NCLT) with effect from August 17, 2017. During the CIRP, the powers of the Board of Directors stood suspended and no meeting of the Board of Directors of the Company were held until the Completion of CIRP. However,

meetings of Resolution Professional with Key Managerial Personnel and Statutory Auditors were held in lieu of Audit Committee Meetings and Meetings of Resolution Professional with Key Managerial Personnel were being held in lieu of Board Meetings.

Pursuant to the implementation of the approved Resolution plan, the Board was reconstituted on March 31, 2020 and only one Board Meeting was held during 2019-2020 (after completion of CIRP) on March 31, 2020.

Name(s) of the Director(s)	Number of Board meetings held during the Financial year 2019-2020	Number of Meetings attended	Whether attended the last AGM (Convened on December 30, 2019)
	March 31, 2020		
Shri Ram Gopal Agarwal Additional Director	1	- \$	NA**
Shri Manish Dhanuka Additional Director	1	1	NA**
Shri Mridul Dhanuka Additional Director	1	1	NA**
Shri Arun Kumar Dhanuka Additional Director	1	1	NA**
Shri K Raghavendra Rao erstwhile Managing Director (Prior to completion of CIRP)	NA^^	NA^^	No

\$ Leave of absence was granted to Shri Ram Gopal Agarwal, Additional Director who had expressed his inability to attend the meeting.

^^ No Board meetings were held prior to completion of CIRP. The erstwhile Board of Directors were deemed to have resigned pursuant to the implementation of the approved Resolution plan.

\*\* The new Board was constituted on March 31, 2020 pursuant to the implementation of the approved Resolution plan.

#### Meetings held by the Resolution Professional

During the year ended March 31, 2020, pursuant to the commencement of the CIRP, 4 (four) meetings were convened by the Resolution Professional on June 03, 2019, August 12, 2019, November 14, 2019 and February 17, 2020.

The details of the meetings held by the Resolution Professional and the attendance of Directors at the meetings are as follows:

Name of the Director	Number of Resolution Professional meetings attended
Shri K Raghavendra Rao, Erstwhile Managing Director	3^

^ Disqualified u/s 164(2)(a) until October 21, 2023. Accordingly vacated office of Managing Director as required under Section 167 of the Companies Act, 2013.

#### Meetings of the Committees of Creditors (CoC)

Pursuant to the commencement of the CIRP, Eight (8) meetings of the CoC were held during the financial year 2019-20 on April 05, 2019, May 03, 2019, May 24, 2019, May 28, 2019, June 04, 2019, November 16, 2019, December 02, 2019 and February 07, 2020.

#### Meetings of the Monitoring Committee (MC)

Pursuant to the commencement of the CIRP, Ten (10) meetings of the MC were held during the financial year 2019-20 on July 03, 2019, July 12, 2019, July 19, 2019, December 19, 2019, January 14, 2020, February 06, 2020, February 17, 2020, February 27, 2020, March 30, 2020 and March 31, 2020.

#### Joint Lenders Meeting (JLM)

During the FY 2019-20, Joint Lenders Meeting (JLM) were held on March 04, 2020 & March 16, 2020.

A consultative meeting with the Financial creditors was held on September 20, 2019.

#### Relationship between Directors Inter se

During the Financial Year 2019-2020, there was only one Director on the Board of the Company (Shri K Raghavendra Rao, erstwhile Managing Director) till December 2019. The Board was reconstituted on March 31, 2020 pursuant to the implementation of the approved Resolution plan and comprised of four (4) Directors (Promoter, Non-Executive, Non Independent) and all the Directors are related to each other.



Name(s) of the Director(s)	Relationship between Directors inter se
Shri Ram Gopal Agarwal Additional Director	Shri Ram Gopal Agarwal is the Cousin brother of Shri Manish Dhanuka and Shri Arun Kumar Dhanuka. Shri Mridul Dhanuka is the nephew of Shri Ram Gopal Agarwal
Shri Manish Dhanuka Additional Director	Shri Manish Dhanuka and Shri Arun Kumar Dhanuka are brothers. Shri Manish Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka
Shri Mridul Dhanuka Additional Director	Shri Mridul Dhanuka is the nephew of Shri Manish Dhanuka, Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal.
Shri Arun Kumar Dhanuka Additional Director	Shri Arun Kumar Dhanuka and Shri Manish Dhanuka are brothers. Shri Arun Kumar Dhanuka and Shri Ram Gopal Agarwal are Cousin brothers. Shri Mridul Dhanuka is the nephew of Shri Arun Kumar Dhanuka

### 3. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("the Code") for Board members and Senior management personnel of your Company. Independent Directors shall also ensure compliance with code for Independent Director formulated in accordance with listing Regulations. The Code is posted on your Company's website ([http://www.orchidpharma.com/ir\\_downloads.aspx](http://www.orchidpharma.com/ir_downloads.aspx)). Since the new Directors were appointed pursuant to the implementation of approved Resolution Plan after the Stock Market Trading hours on March 31, 2020, the declaration from new directors were not obtained. The Senior Management Personnel have confirmed compliance with the Code. A declaration signed by the Managing Director is attached and forms part of this Report.

### 4. Number of Shares and convertible instruments held by Non-Executive Directors:

As on March 31, 2020, no shares and convertible instruments are held by Non-Executive Directors of the Company.

However, as per the approved Resolution plan, the following allotments have been made by the Monitoring Committee on March 31, 2020 (Approvals from Stock exchanges for the corporate action are awaited) to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL) where Shri Manish Dhanuka, Shri Mridul Dhanuka and Shri Arun Kumar Dhanuka, Additional Directors are Directors and Shri Ram Gopal Agarwal, Additional Director is a member.

- 3,99,90,072 Equity shares of Rs.10/- each aggregating to Rs. 39.99 crores pursuant to Equity infusion as per approved Resolution plan.
- 10,000 Equity shares of Rs.10/- each aggregating to Rs. 0.01 crores. (Pursuant to Scheme of Amalgamation of M/s Dhanuka Pharmaceuticals Private Limited ("DPPL") with and into M/s Orchid Pharma Limited as per approved Resolution plan) (DLL is the Sole shareholder in DPPL).
- 14,300 Zero Coupon, Optionally Convertible, Non-marketable Debentures of Rs. 1,00,000 each aggregating to Rs. 143 crores

(Rupees One Hundred Forty Three Crores only) were issued on private placement basis.

### 5. Meeting of Independent Directors and familiarization Programme for Independent Directors:

During the year, there were no Independent Directors on the Board of the Company and no meetings of the Independent Directors could be held and also the familiarization programme for the Independent Directors could not be conducted.

Further, pursuant to the order of the Hon'ble NCLT dated June 27, 2019, subsequently upheld by Hon'ble Supreme Court of India dated February 28, 2020, the Additional directors were appointed by the Monitoring Committee on March 31, 2020. The Board of Directors of your company had appointed the following Independent Directors on the Board of the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from June 29, 2020:

Name and designation of the Director	Category	Date of appointment
Dr. Dharam Vir Additional Director	Non-Executive, Independent	June 29, 2020
Shri Mudit Tandon Additional Director	Non-Executive, Independent	
Smt. Tanu Singla Additional Director	Non-Executive, Independent	
Shri Manoj Kumar Goyal Additional Director	Non-Executive, Independent	

### 6 (a) Chart or matrix setting out Skill/ Expertise/ Competence of the Board of Directors as on March 31, 2020

The Board has identified core skills/expertise/competencies required in the Directors for effectively managing the Company's business operations and those possessed by the Board members

No.	Broad categories of skills	Core Skill/ Expertise/ Competencies identified by the Board	Whether the skills set/ area of expertise / knowledge is possessed by the Directors of the Company			
			Shri Ram Gopal Agarwal Additional Director	Shri Manish Dhanuka Additional Director	Shri Arun Kumar Dhanuka Additional Director	Shri Mridul Dhanuka Additional Director
1	Leadership and Management	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision	Yes	Yes	Yes	Yes
2	Industry knowledge (Pharma Industry)	Knowledge of the Pharma industry and general understanding of government legislation/legislative process with respect to governance of the Board affairs Understanding of Pharma sector with specific emphasis on various factors influencing the business in the sector	Yes	Yes	Yes	Yes
3	Business acumen	Ability to combine experience, knowledge & perspective to make sound business decisions.	Yes	Yes	Yes	Yes
4	Strategic thinking	Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal.	Yes	Yes	Yes	Yes
5	Sales and Marketing	Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology Experience in developing strategies to grow sales, and market share	Yes	Yes	Yes	Yes
6	Finance & Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets & efficient use of resources Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues	Yes	Yes	Yes	Yes
7	Risk management	Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework to insulate the business from pitfalls.	Yes	Yes	Yes	Yes
8	Governance	Compliance focus and strategic thinking / planning from governance aspect	Yes	Yes	Yes	Yes
9	International/ Global knowledge	Awareness about relevant markets at global level and diversification of Company's business, global trends	Yes	Yes	Yes	Yes



**(b) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.**

There were no Independent Directors on the Board of the Company during the financial year 2019-2020, accordingly the above captioned confirmation is not applicable.

**(c) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided**

Not applicable.

**7. Board Committees**

The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the CIRP in respect of a listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency Code provided that the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the Interim Resolution

Professional or Resolution Professional /Monitoring Agent as authorised by Monitoring Committee.

Pursuant to the approved Resolution plan, the Board was reconstituted by the Monitoring Committee on March 31, 2020. No Committee meetings of the reconstituted Board were held on March 31, 2020.

**8. Audit Committee**

Prior to commencement of CIRP, Audit Committee was constituted by the Board of Directors in accordance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the Insolvency Resolution process period.

Pursuant to the implementation of the approved Resolution plan, the Audit Committee was reconstituted by the Board of Directors on March 31, 2020. The Audit Committee Constituted by Board of Directors was as follows:

**COMPOSITION OF THE AUDIT COMMITTEE**

Name of Committee Members	Category~~	Committee Position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Mridul Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

~~ No Independent Directors were on the Board of the Company as on March 31, 2020. Accordingly, the constitution of the Audit Committee and appointment of Chairman of Audit Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

The Audit Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020. The Audit Committee comprised of three (3) Directors as on June 29, 2020, the details of which are enumerated below:

Name of Committee Members	Category~~	Committee position	Date of Appointment
Shri Manoj Kumar Goyal	Non-Executive- Independent	Chairman	29-06-2020
Shri Mridul Dhanuka	Promoter-Executive-Whole Time Director <sup>&amp;</sup>	Member	31-03-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

<sup>&</sup> Shri Mridul Dhanuka was appointed as the Non-Executive Director by the Board with effect from March 31, 2020, Further, he was appointed as Executive Director with effect from June 29, 2020.



### Meetings and attendance of Audit Committee during the year

Pursuant to the ongoing CIRP, no Independent Directors were on the Board of the Company during the financial year 2019-2020.

Further to the reconstitution of the Board on March 31, 2020 as per the approved Resolution Plan, the constitution of the Audit Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

No meeting of Audit Committee was held during the Financial Year 2019-2020.

### Brief description of terms of reference

The Terms of reference specified by Board are described:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of financial statements and the Auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management

systems;

(viii) Monitoring the end use of funds raised through public offers and related matters.

In addition, the committee shall discharge such other role/function as envisaged under Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013.

The Company Secretary is the Secretary of the Audit Committee.

### 9. Nomination and Remuneration Committee (NRC)

Prior to the commencement of CIRP with effect from 17<sup>th</sup> August, 2017, the Nomination and Remuneration Committee had been constituted by the Board of Directors in accordance with the requirement of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The provisions as specified in Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable during the Insolvency Resolution process period. Pursuant to the implementation of the approved Resolution plan, the Nomination and Remuneration Committee was reconstituted by the Board of Directors on March 31, 2020. The Nomination & Remuneration Committee Constituted by Board of Directors is as on March 31, 2020 is as follows:

### COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

Name of Committee Members	Category	Committee Position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

~~ No Independent Directors were on the Board of the Company as on March 31, 2020. Accordingly, the constitution of the Nomination and Remuneration Committee and appointment of Chairman of Nomination and Remuneration Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020.

The Nomination and Remuneration Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020.

The Nomination and Remuneration Committee comprised of three (3) Directors as on June 29, 2020, the details of which are enumerated below:

Name of Committee Members	Category	Committee position	Date of Appointment
Shri Mudit Tandon	Non-Executive- Independent	Chairman	29-06-2020
Shri Arun Kumar Dhanuka	Non-Executive- Non-Independent	Member	31-03-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

The brief terms of reference of the Nomination and Remuneration Committee were as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;



4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommended to the Board of Directors for their appointment and removal.

5. Whether to extend or continue the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Director.

6. Recommend to the Board of Directors, all remuneration in whatever form payable to senior management.

#### **Meetings and attendance of the Nomination and Remuneration Committee during the year**

No meeting of Nomination & Remuneration Committee was held during the FY 2019-20.

#### **Performance Evaluation of Board of Directors/ Committees / Independent Directors**

Since the commencement of CIRP, the powers of Board of

directors have been suspended and the same were exercised by Interim Resolution Professional / Resolution Professional / Monitoring agent as authorized by Monitoring Committee.

Further, pursuant to the order of the Hon'ble NCLT dated June 27, 2019, subsequently upheld by Hon'ble Supreme Court of India dated February 28, 2020, four (4) directors were appointed by the Monitoring Committee on March 31, 2020.

Accordingly, the evaluation of Board of Directors, its committees and Independent Directors could not be carried out. The criteria for performance evaluation covers inter-alia the following areas relevant to their functioning as Independent Directors, members of Board or Committees of the Board such as Attendance to the Board and Committee meetings, and active participation thereof, Flow of information to the Board, Experience and competencies, inputs provided and its impact on the Company, performance of specific duties and obligations, etc.,

**Details of the Remuneration and Sitting Fees paid to the Directors for the financial Year 2019-20 are given below:**

Name(s) of the Director(s)	Remuneration paid during the year 2019-20 (In Rs.)					No. of Stock Options
	Salary	Commission / bonus	Sitting fees	Others	Total@^	
Shri K Raghavendra Rao, Managing Director@	9,00,000	—	—	2,20,000	11,20,000	—
Shri Ram Gopal Agarwal, Additional Director@^	—	—	—	—	—	—
Shri Manish Dhanuka, Additional Director@^	—	—	—	—	—	—
Shri Mridul Dhanuka, Additional Director@^	—	—	—	—	—	—
Shri Arun Kumar Dhanuka, Additional Director@^	—	—	—	—	—	—

@ Disqualified u/s 164(2) (a) until October 21, 2023 as per Chennai list published by Registrar of Companies, Chennai during December 2019. Accordingly vacated office of Managing Director under Section 167 of the Act.

@^ No sitting fee was paid for the Board meeting held on March 31, 2020 to the four Additional Directors who were inducted on March 31, 2020 as per approved Resolution plan.

#### **Criteria of making payments to Non-Executive directors**

Pursuant to section 178 of Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee has laid down criteria and terms and conditions relating to Nomination and remuneration of the directors, Senior Management and Key Managerial Personnel. The detailed policy is posted on your company's website.

[http://www.orchidpharma.com/downloads/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf)

#### **Details of pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the company**

All Non-Executive Directors are entitled to only Sitting fees for every Board and Committee meeting they attend. Other than the Sitting fees, they do not have any pecuniary relationship or transactions with the Company.

No sitting fee was paid to the new Board of Directors for their meeting convened on March 31, 2020.

#### **10. Stakeholder Relationship Committee (SRC)**

The Stakeholders Relationship Committee of Directors looks into the redressal of complaints of investors such as share transfers or credit of shares, non-receipt of dividend/notices/annual reports, etc.



Pursuant to the implementation of the approved Resolution plan, the Stakeholder Relationship Committee was reconstituted by the Board of Directors on March 31, 2020. The Stakeholder Relationship Committee constituted by Board of Directors as on March 31, 2020 was as follows:

#### COMPOSITION OF THE STAKE HOLDER RELATIONSHIP COMMITTEE

Name of the Director	Category	Committee position	Date of Appointment
Shri Manish Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive - Non Independent Director	Member	31-03-2020

The constitution of the Stakeholder Relationship Committee and appointment of Chairman of Stakeholder Relationship Committee in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations was pending as on March 31, 2020. The Stakeholder Relationship Committee was duly reconstituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board at their meeting held on June 29, 2020.

Name of Committee Members	Category	Committee position	Date of Appointment
Dr DharamVir	Non-Executive- Independent	Chairman	29-06-2020
Shri Arun Kumar Dhanuka	Non-Executive- Non-Independent	Member	31-03-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

The Stakeholders Relationship Committee was further reconstituted on September 07, 2020 by the Board of Directors with the following members :

Name of Committee Members	Category	Committee position	Date of Appointment
Dr DharamVir	Non-Executive- Independent	Chairman	29-06-2020
Shri Manoj Kumar Goyal	Non-Executive- Independent	Member	29-06-2020
Smt Tanu Singla	Non-Executive- Independent	Member	29-06-2020

#### Meeting and attendance:

No meeting of Stakeholders Relationship Committee was held during the financial year 2019-2020.

#### Detail of complaints received and resolved during the year:

During the year, the company received 5 complaints and all the complaints were resolved to the satisfaction of the investors and there are no pending complaints as on March 31, 2020.

Dr. Dharam Vir, Non-Executive, Independent Director has been appointed as the Chairman of the SRC with effect from June 29, 2020. The Board had designated Shri L Chandrasekar, Executive VP-Finance & Secretary as the Compliance Officer (till June 30, 2019) and subsequently Ms. Nikita K was appointed as the Company Secretary and Compliance Officer with effect from March 05, 2020.

#### 11. Banking, Finance and Operations Committee

Pursuant to the implementation of the approved Resolution plan, a Banking, Finance and Operations Committee of the Board of Directors was constituted on March 31, 2020 and the composition was as follows:

#### COMPOSITION OF BANKING, FINANCE AND OPERATIONS COMMITTEE

Name of Committee Members	Category	Committee position	Date of Appointment
Shri Manish Dhanuka	Non-Executive- Non Independent Director	Chairman	31-03-2020
Shri Arun Kumar Dhanuka	Non-Executive- Non Independent Director	Member	31-03-2020
Shri Mridul Dhanuka	Non-Executive-Non Independent Director	Member	31-03-2020

The Committee is entrusted with powers to monitor and review and take care of the various routine banking, financial (including borrowings monies) and operational matters of the Company. No meeting of Banking, Finance and Operations Committee was held during the Financial Year 2019-20.



## General Body meetings

### 12. Details of Annual/Extraordinary General Meetings and Location and Time of the General Meetings held in the past three (3) years

All the resolutions including the special resolutions set out in the respective notices were passed by the shareholders with more than requisite percentage (%) of votes, as prescribed under the Act.

Year	AGM / EGM	Location	Special resolutions passed	Date	Time
2019	AGM	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai -600 017, Tamil Nadu.	-NIL-	December 30, 2019	11.00 AM
2018	AGM	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, Parthasarathi Puram, T Nagar, Chennai -600 017, Tamil Nadu.	-NIL-	December 12, 2018	11.00 AM
2017	AGM	The Music Academy, Old no.306, New no. 168, TTK Road, Royapettah, Chennai - 600 014, Tamil Nadu.	- NIL -	September 13, 2017	10.30 AM

No Extra-ordinary General Meeting of the members of the Company was convened during the financial year 2019-2020.

### Details of resolutions passed through Postal Ballot, the person who conducted the postal ballot exercise and details of voting pattern:

The Company has not conducted any postal ballot during the year ended March 31, 2020, pursuant to Section 110 of the Companies Act, 2013. The Company presently does not envisage any business to be conducted through postal ballot as of the date of the report.

### 13. Means of Communication:

- Financial Results are published by the Company in Trinity Mirror and Makkal Kural.
- Results are also uploaded on the website of the company ([www.orchidpharma.com](http://www.orchidpharma.com)). Official news releases are also updated on the site.)
- The Company has an internet portal to communicate with its employees.
- Key developments are communicated to the Stock Exchanges and media as and when they occur.
- No Presentations were made to the Institutional investors or to the Analysts during the financial year 2019-20. However, information memorandum was prepared and shared with prospective Resolution applicants as per CIRP.

### 14. General Shareholder Information

General Shareholder Information		
1	Registered Office	CIN:L24222TN1992PLC022994 'ORCHID TOWERS', No. 313, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034, Tamil Nadu, India.
2	Date, Time and Venue of 27 <sup>th</sup> Annual General Meeting (AGM)	Wednesday, December 30, 2020 at 12:00 Noon through Video Conference ("VC") / Other Audio Visual Means ("OAVM") The Registered Office of the Company i.e., "ORCHID TOWERS", No. 313, Valluvarkottam High road, Nungambakkam, Chennai -600034 Tamil Nadu, India shall be deemed to be the venue of the meeting.
3	Book Closure Date	Wednesday December 23, 2020 to Wednesday December 30, 2020 (both days inclusive)
4	Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March
	Financial reporting for -	Tentative date
	Quarter ending June 30, 2020	On or before September 15, 2020*
	Quarter ending September 30, 2020	On or before November 14, 2020
	Quarter ending December 31, 2020	On or before February 14, 2021
	Quarter ending March 31, 2021	On or before May 30, 2021

General Shareholder Information		
5	Dividend Payment Date	No Dividend was declared during the year 2019-20 and accordingly not applicable.
6	The Equity Shares of Rs.10/- each are listed at	<b>National Stock Exchange of India Limited</b> "Exchange Plaza", Plot No, C/1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel: 91-22-26598100, Fax : 91-22-26598120
		<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001, Maharashtra, India Tel : 91-22-22721233, Fax : 91-22-22721919
7	Global Depository Receipts (GDR's) are listed at	<b>Luxembourg Stock Exchange</b> Boursede Luxembourg, 35A Boulevard Joseph II, L-1840 Luxembourg. Telephone: +352 47 79 36-1, Fax: +352 47 32 98.
		<b>London Stock Exchange</b> Registered Office: 10, Paternoster Square, London EC4M 7LS
8	Listing Fees	Listing Fees has been paid for all the above Indian Stock Exchanges for the year 2019-20.

\*SEBI had vide its circular bearing reference SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 has extended the timeline for submission of financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 for the quarter/half year/financial year ended 30th June 2020 to September 15, 2020.

## Stock Market Data

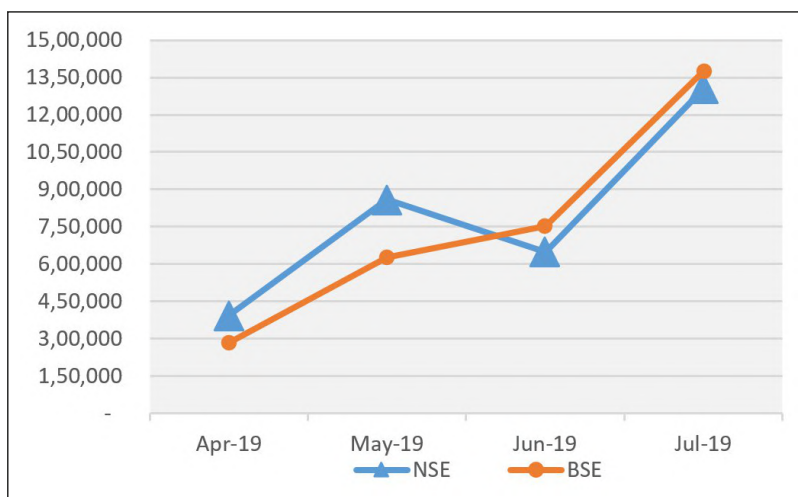
a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2019-20 are:

Month	NSE <sup>1</sup>			NSE 500 Index (AVG)	BSE <sup>1</sup>			BSE 500 Index (AVG)
	High (Rs.)	Low (Rs.)	Volume of shares (Nos)		High (Rs.)	Low (Rs.)	Volume of shares (Nos)	
Apr-19	6.15	4.95	3,93,103	9670.06	6.15	5.00	2,82,741	15319.86
May-19	5.25	3.90	8,58,635	9517.31	5.24	3.83	6,26,897	15064.34
Jun-19	6.65	4.30	6,49,032	9688.10	6.82	4.24	7,54,011	15339.33
Jul-19	8.25	5.00	13,05,739	9405.73	8.37	5.25	13,74,741	14892.61
Aug-19	Not Traded				Not Traded			
Sep-19								
Oct-19								
Nov-19								
Dec-19								
Jan-20								
Feb-20								
Mar-20								
<b>Total</b>			<b>32,06,509</b>				<b>30,38,390</b>	

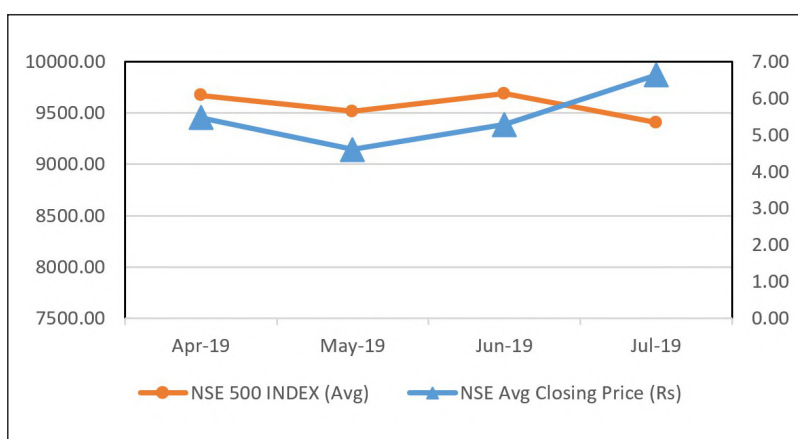
<sup>1</sup>The Record Date (July 27, 2019) for implementing the Capital reduction programme was fixed as per the Resolution plan submitted by M/s. Dhanuka Laboratories Limited which was approved by the Hon'ble NCLT, Chennai on June 25 /27, 2019 and subsequently upheld by the Hon'ble Supreme Court of India. Hence the shares were not traded after July 24, 2019. The trading in the shares of the Company were suspended pursuant to the Reduction and Consolidation of share capital envisaged under the approved Resolution plan.



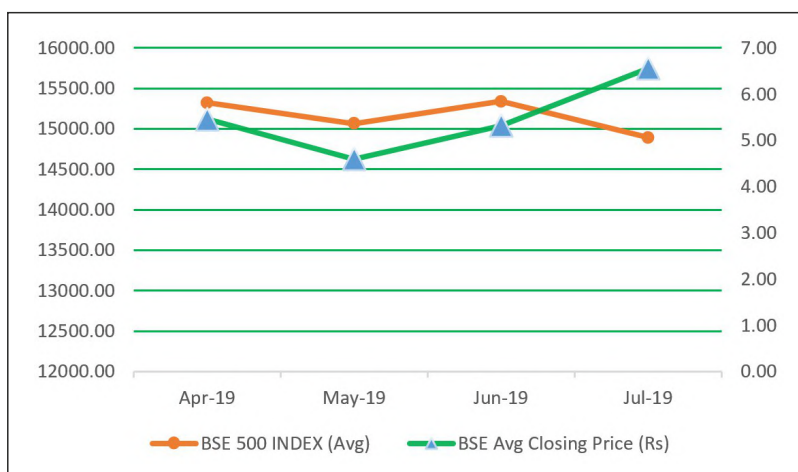
**b) Graphical representation of volume of shares traded of Orchid during the year 2019-20 upto July 2019**



**c) Comparison of broad based indices of NSE with share price of Orchid during the year 2019-20 upto July 2019**



**d) Comparison of broad based indices of BSE with share price of Orchid during the year 2019-20 upto July 2019**



#### Stock Exchange Security Code and other related Information

BSE Limited	524372
National Stock Exchange of India Limited	ORCHPHARMA
Depository ISIN No.	INE191A01027
Corporate Identification Number(CIN)	L24222TN1992PLC022994

#### EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2020

Date	Particulars	Number of Shares	
		Issued	Cumulative
13-Jul-92	Subscribers to Memorandum	70	70
26-Nov-92	Issued to Promoters on Private Placement basis	2,49,930	2,50,000
27-Feb-93	Issued on Private Placement basis	14,51,800	17,01,800
04-Nov-93	Issued on Private Placement basis	17,98,200	35,00,000
08-Nov-93	Public Issue	25,00,000	60,00,000
18-Jul-94	Issued on Private Placement basis	12,00,000	72,00,000
01-Nov-94	Issued to Foreign Institutional Investors on Private Placement basis	2,50,000	74,50,000
03-Nov-94	Issued on Private Placement basis	12,23,000	86,73,000
21-Apr-95	Rights Issue(1:1)	86,73,000	1,73,46,000
09-Dec-99	Issued to Foreign Companies on Private Placement basis	1,06,53,192	2,79,99,192
21-Nov-02	Allotment pursuant to conversion of FCCBs	43,82,727	3,23,81,919
01-Mar-05	Allotment pursuant to conversion of warrants	17,50,000	3,41,31,919
27-Apr-05	Allotment pursuant to exercise of ESOS	11,800	3,41,43,719
02-Aug-05	Allotment pursuant to exercise of ESOS	59,485	3,42,03,204
02-Aug-05	Allotment pursuant to conversion of warrants	1,80,000	3,43,83,204
31-Aug-05	Allotment pursuant to exercise of ESOS	3,00,676	3,46,83,880
31-Aug-05	Allotment pursuant to conversion of warrants	70,000	3,47,53,880
21-Sep-05	Bonus Issue(1:2)	1,73,76,940	5,21,30,820
13-Oct-05	Allotment pursuant to conversion of warrants	1,05,000	5,22,35,820
02-Nov-05	Allotment pursuant to conversion of GDRs	92,50,000	6,14,85,820
23-Dec-05	Allotment pursuant to exercise of ESOS	19,649	6,15,05,469
01-Mar-06	Allotment pursuant to conversion of FCCBs	1,84,330	6,16,89,799
07-Mar-06	Allotment pursuant to conversion of FCCBs	4,60,827	6,21,50,626
20-Mar-06	Allotment pursuant to conversion of FCCBs	17,51,146	6,39,01,772
20-Mar-06	Allotment pursuant to conversion of warrants	50,000	6,39,51,772
31-Mar-06	Allotment pursuant to conversion of FCCBs	6,52,531	6,46,04,303
31-Mar-06	Allotment pursuant to conversion of FCCBs	13,879	6,46,18,182



Date	Particulars	Number of Shares	
		Issued	Cumulative
18-Apr-06	Allotment pursuant to conversion of FCCBs	4,14,744	6,50,32,926
28-Apr-06	Allotment pursuant to conversion of FCCBs	7,37,325	6,57,70,251
28-Apr-06	Allotment pursuant to exercise of ESOS	3,475	6,57,73,726
31-May-06	Allotment pursuant to conversion of warrants	35,000	6,58,08,726
31-May-06	Allotment pursuant to exercise of ESOS	3,015	6,58,11,741
19-Oct-06	Allotment pursuant to exercise of ESOS	4,000	6,58,15,741
19-Jan-07	Allotment pursuant to exercise of ESOS	550	6,58,16,291
03-May-07	Allotment pursuant to exercise of ESOS	6,085	6,58,22,376
17-Jul-07	Allotment pursuant to exercise of ESOS	5,650	6,58,28,026
18-Oct-07	Allotment pursuant to exercise of ESOS	6,000	6,58,34,026
20-Dec-07	Allotment pursuant to exercise of ESOS	3,000	6,58,37,026
17-Jan-08	Allotment pursuant to exercise of ESOS	13,750	6,58,50,776
26-Apr-08	Allotment pursuant to exercise of ESOS	9,425	6,58,60,201
29-May-08	Allotment pursuant to exercise of ESOS	16,375	6,58,76,576
13-Aug-08	Allotment pursuant to conversion of warrants	3,81,000	6,62,57,576
13-Aug-08	Allotment pursuant to exercise of ESOS	4,000	6,62,61,576
29-Aug-08	Allotment pursuant to conversion of warrants	41,79,000	7,04,40,576
29-Aug-08	Allotment pursuant to exercise of ESOS	1,500	7,04,42,076
17-May-12	Allotment pursuant to exercise of ESOS	10,000	7,04,52,076
22-Dec-14	Allotment pursuant to Preferential Allotment to Promoters	1,48,09,801	8,52,61,877
09-Oct-15	Allotment pursuant to Preferential Allotment to Promoters	37,02,450	8,89,64,327
		<b>8,89,64,327</b>	
30-Mar-20	Reduction and consolidation of share capital as per approved Resolution plan##	4,08,164	4,08,164
30-Mar-20	Allotment of Equity shares on Preferential basis to eligible Secured Financial Creditors pursuant to conversion of loan into equity (Part)##	4,08,164	8,16,328
31-Mar-20	Allotment of Equity shares to M/s. Dhanuka Laboratories Limited pursuant to Equity infusion as per Approved Resolution Plan##	3,99,90,072	4,08,06,400
31-Mar-20	Allotment of Equity shares to M/s. Dhanuka Laboratories Limited pursuant to Scheme of Amalgamation as per Approved Resolution Plan##	10,000	4,08,16,400
	<b>Total</b>	<b>4,08,16,400##</b>	



**Distribution of Shareholding prior to Capital Reduction and Consolidation /implementation of the Resolution plan:**

No of equity Shares held	March 31, 2020##			March 31, 2019		
	No of shares	No of Shareholders	% of Shareholders	No of shares	No of Shareholders	% of Shareholders
1-500	98,45,119	68,381	80.52	99,74,331	69,125	80.51
501-1000	65,52,073	7,902	9.30	66,36,330	8,005	9.32
1001-2000	65,91,710	4,242	5.00	66,99,172	4,301	5.01
2001-3000	38,80,908	1,499	1.77	39,10,313	1,513	1.76
3001-4000	25,18,564	694	0.82	25,37,900	699	0.81
4001-5000	28,96,001	606	0.71	29,99,511	629	0.73
5001-10000	66,45,911	899	1.06	66,64,983	903	1.05
10001 & above	5,00,34,041	696	0.82	4,95,41,787	692	0.81
<b>TOTAL</b>	<b>8,89,64,327</b>	<b>84,919</b>	<b>100.00</b>	<b>8,89,64,327</b>	<b>85,867</b>	<b>100.00</b>

**Dematerialization of Shares**

The shares of the Company are in compulsory demat segment and are available for trading in both the depository systems, namely, National Securities Depository Limited and Central Depository Services (India) Limited. Shares dematerialised up to March 31, 2020 are:

No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
8,87,69,714	99.78	83504	98.33

## As per the Resolution plan approved by the Honourable National Company Law Tribunal, Chennai Bench vide its order dated June 27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its order dated November 13, 2019 and the Hon'ble Supreme Court vide its order dated February 28, 2020 (received on March 02, 2020), the Corporate actions enumerated below were approved by the Monitoring Committee at their meeting held on March 30, 2020 and March 31, 2020. The Company has made necessary applications for these corporate actions and the approval for these Corporate actions from Stock exchanges, where the shares are listed are awaited. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/- each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020. The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

1. The existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each
2. Allotment of 4,08,164 Equity shares of Rs.10/- each on preferential basis to eligible Secured Financial creditors pursuant to conversion of loan(Part)into equity
3. Allotment of 3,99,90,072 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") pursuant to Equity infusion
4. Allotment of 10,000 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL is the sole shareholder of M/s Dhanuka Pharmaceuticals Private Limited which was amalgamated with and into Orchid Pharma Limited) pursuant to Scheme of Amalgamation as per approved Resolution plan.

**Suspension of trading of shares**

The Equity shares of the company are traded in National Stock Exchange of India Ltd and BSE Ltd. The Equity shares of the company has been suspended from trading after July 24, 2019 during the financial year 2019-20. The Equity Shares were not traded after July 24, 2019 as a result of the Company announcing

the record date (July 27, 2019) for implementing the capital reduction programme fixed as per the resolution plan submitted by M/s. Dhanuka Laboratories Limited which was approved by the Hon'ble NCLT, Chennai on June 25/27, 2019 and subsequently upheld by the Hon'ble Supreme Court of India vide Order dated February 28, 2020 (received by the Company On March 02, 2020).



## Reconciliation of Share Capital Audit

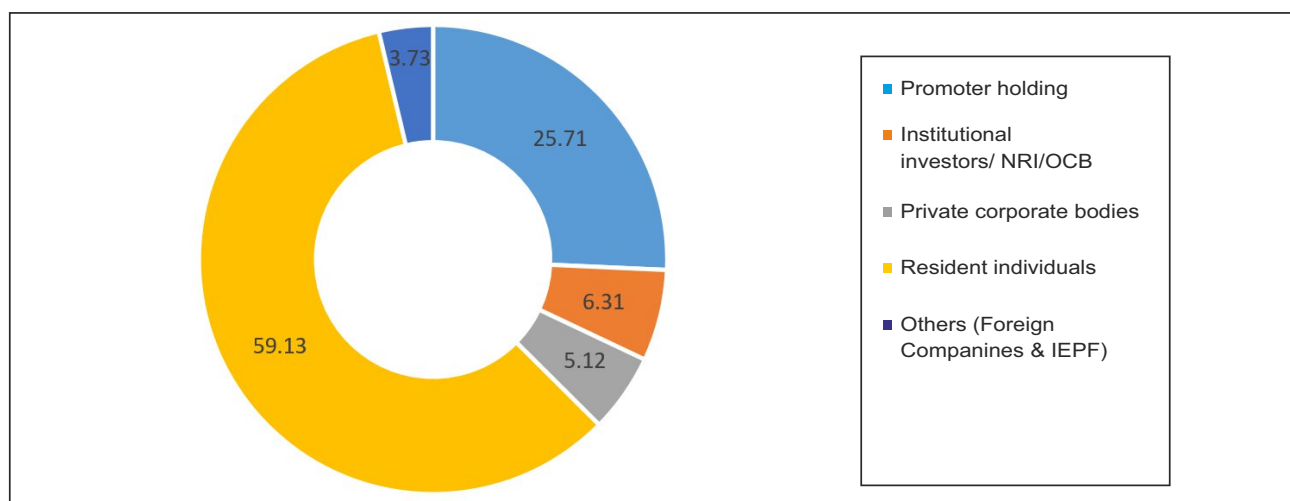
A Qualified practising Company Secretary Carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### Shareholding Pattern as on March 31, 2020## prior to Capital Reduction and Consolidation /implementation of the Resolution plan)

	Category	No of Shares Held	% of Shareholding
<b>A</b>	<b>PROMOTER HOLDING</b>		
1	Promoters / Promoter Group		
	(a) Indian	2,28,73,782	25.71
	(b) Foreign	-	-
	<b>Sub-Total(1)</b>	<b>2,28,73,782</b>	<b>25.71</b>
<b>B</b>	<b>NON-PROMOTER HOLDING</b>		
2	<b>Institutional Investors</b>		
	(a) Mutual Funds	550	0.00
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	31,89,325	3.58
	(c) Foreign Institutional Investors (FIIs)	6,83,402	0.77
	<b>Sub-Total(2)</b>	<b>38,73,277</b>	<b>4.35</b>
3	<b>OTHER INVESTORS</b>		
	(a) Private Corporate Bodies	45,54,047	5.12
	(b) Indian Public (Resident Individuals)	5,26,02,517	59.13
	(c) Non Resident Indians / Overseas Corporate Bodies	17,42,585	1.96
	(d) Foreign Companies	32,41,688	3.64
	(e) Others - IEPF	76,431	0.09
	<b>Sub Total(3)</b>	<b>6,22,17,268</b>	<b>69.94</b>
	<b>GRAND TOTAL (1+2+3)</b>	<b>8,89,64,327</b>	<b>100.00</b>

## As per the Resolution plan approved by the Honourable National Company Law Tribunal, Chennai Bench vide its order dated June 27, 2019, the Hon'ble National Company Law Appellate Tribunal vide its order dated November 13, 2019 and the Hon'ble Supreme Court vide its order dated February 28, 2020 (received on March 02, 2020), the Corporate actions enumerated below were approved by the Monitoring Committee at their meeting held on March 30, 2020 and March 31, 2020. The company has made necessary applications for these corporate action and the approval for these Corporate actions from Stock exchanges, where the shares are listed are awaited. The Paid up capital of the Company after implementation of all the Corporate actions as per approved Resolution plan for the Company is Rs.40,81,64,000/- (Comprising of 4,08,16,400 Equity shares of Rs.10/-each). However, the new paid up capital is not reflected as the approval from the Stock exchanges for the corporate actions as per the approved Resolution plan was pending on March 31, 2020. The listing & trading approvals for Reduction & Consolidation was accorded by NSE Ltd. & BSE Ltd. on October 29, 2020. The corporate action for Reduction & Consolidation was executed during October 2020.

1. The existing issued, subscribed and paid-up equity share capital of the Company shall be reduced and consolidated from Rs.88,96,43,270 divided into 8,89,64,327 equity shares of Rs.10/- each to Rs.40,81,640 divided into 4,08,164 equity shares of Rs.10/- each thereby cancelling and extinguishing 8,85,56,163 equity shares of Rs. 10/- each
2. Allotment of 4,08,164 Equity shares of Rs.10/- each on preferential basis to eligible Secured Financial creditors pursuant to conversion of loan (Part) into equity
3. Allotment of 3,99,90,072 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") pursuant to Equity infusion
4. Allotment of 10,000 equity shares of Rs.10/- each to M/s. Dhanuka Laboratories Limited ("Resolution Applicant") (DLL is the sole shareholder of M/s Dhanuka Pharmaceuticals Private Limited which was amalgamated with and into Orchid Pharma Limited) pursuant to Scheme of Amalgamation as per approved Resolution plan.



### Global Depository receipts (GDRs) / Convertible instruments

The number of GDRs outstanding as on March 31, 2020 are 32,26,688 out of the total number of 8,89,64,327 equity shares of the Company. Each GDR is represented by an underlying equity share. As per the approved Resolution Plan, the outstanding GDR's stands reduced pursuant to the Reduction and Consolidation of share capital as envisaged in the approved Resolution plan. However, the corporate action for Reduction and Consolidation of share capital is pending execution as on March 31, 2020.

As per the approved Resolution plan, your Company has issued 14,300 Zero Coupon, Optionally Convertible Non-marketable Debentures of Rs.1,00,000/- aggregating to Rs.143 Crores to M/s. Dhanuka Laboratories Limited. The tenor of the OCDs shall be Ten (10) years or such further period as may be mutually discussed between the Company and OCDs holder.

In case, the OCD holders exercise their option to convert the same, then the said conversion shall happen only on the basis of face value of each of the OCD and no interest shall be payable to the OCD holders. However, if the OCD holders opt not to exercise their option for conversion, then the OCD holders shall be entitled to redemption premium of at least 11 % IRR on annual basis on the amount of the said OCDs or such higher amount as the Board decides after considering the market price of shares of the Company and the achievement of EBIDTA; however in any case, redemption premium shall not exceed beyond 18% IRR on an annual basis. The said OCD, till the time it is not converted into equity shares, shall not be listed on any stock exchange in India and are permitted to be transferred only with the permission of the Board of Directors of the Company. Further there shall be no redemption of OCDs, including payment of interest/ other kind of return of what so ever nature thereon, until entire outstanding of the loan availed from Union Bank of India is paid in full to the lender. The OCD holder, any time during the tenor shall have the right to convert whole or any part of OCDs into equity shares of Rupees 10/- each at par of Company ("OCD Conversion shares")

and accordingly, each OCD of Rupees One Lakh will be converted into 10,000 equity shares having face value of Rs.10 each ("OCD Conversion ratio")

### Share Transfer System

As required under Regulation 7 (1) of Listing Regulations, your company has appointed M/s Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Tamil Nadu, India as the Registrar and Share Transfer Agents for facilitating demat segments. No Stakeholders Relationship Committee meeting was held during the year 2019-20. However, the roles and responsibilities of the Stakeholder Relationship Committee as specified in the respective regulations were fulfilled by the Resolution Professional / Monitoring Agent as authorised by the Monitoring Committee of your Company. Securities lodged for transfer with the Registrar are processed within 15 days from the date of lodgement.

### Unclaimed Dividends

Pursuant to Section 123 of the Companies Act, 2013, the unclaimed dividend amounting to Rs.13,22,256/- (Rupees Thirteen Lakhs Twenty Two Thousand Two Hundred and Fifty Six Only) pertaining to the financial year 2011-12 was transferred to the Investor Education and Protection Fund (IEPF) in November 2019. The Shareholders can get back the unpaid dividend from IEPF by filing e-form IEPF-5. Upon filing the said e-form the shareholder shall write to the Company/ Registrar for completing the other procedural formalities in this regard.

The Company has not declared any dividend after the financial year 2011-12 and hence transfer of unclaimed dividend amount to IEPF does not arise during the financial year 2020-21. During the year under review, the Company could not transfer the shares to the Investor Education and Protection Fund Authority in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time)



### Equity Shares in the Suspense Account prior to capital Reduction and Consolidation /Implementation of the Resolution Plan

As per Regulation 34(3) of the Listing Regulations read along with

Schedule V of the said regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the Public Issue/Bonus Issue/Rights Issue of the Company and unclaimed as on March 31, 2020:

S.No	Particulars	No. of shareholders	No. of equity shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	33	1968
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
4	Less: Transfer to IEPF authority	NIL	NIL
5	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	33	1968

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares. As per Regulation 39 of the Listing Regulations read along with Schedule VI of the said regulation, three reminders were issued for shares issued in physical form, which remain unclaimed. The Company has transferred these shares into one folio in the name of "Unclaimed Suspense Account" and dematerialised the same with one of the Depository participant.

#### ECS Mandate

To service its investors better, the Company requests all its members who hold shares in electronic form to update their bank particulars with their respective depository participants immediately. Shareholders holding shares in physical form may kindly forward the bank particulars to the Company's Registrar and Share Transfer Agent.

#### List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

During the year, CARE (CARE Ratings Ltd) has reviewed the rating to the Company, the credit rating of Long term bank facility, CARE D-; Issuer not cooperating and Long term / Short term bank facilities, CARE D-; Issuer not cooperating.

Further, during October 2020, CARE had assigned a credit rating of CARE BB+, Stable for the long term bank facilities and credit rating of CARE A4+ for the short term bank facilities availed by the Company.

#### Plant Locations:

##### a) Active Pharmaceutical Ingredient Facilities and R & D Block Alathur Works

Plot Nos. 85-87, 98-100, 126-131, 138-151, 159-164 and Survey Nos. 257, 259, 261-264, 265(P), 266-280, 284, 285, 287-296, 250 SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603110, Tamil Nadu, India.

##### b) Formulations (Finished Dosage Form) Facilities

- A10/A11, SIDCO Industrial Estate Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- B-77, SIDCO Industrial Estate, Alathur, Kancheepuram Dist, Pin 603 110, Tamil Nadu, India
- Plot Nos. B5 (Part) and B6 (Part), SIPCOT Industrial Park, Irungattukottai, Sriperumbudur (TK), Pin 602 105, Tamil Nadu, India.

#### Investor Contacts

##### a) Investor Correspondence / Compliance Officer/Nodal Officer

Ms. Nikita.K, Company Secretary  
Orchid Pharma Limited  
"Orchid Towers", 313 Valluvar Kottam High Road  
Nungambakkam, Chennai - 600 034.  
Phone: (044)- 2824 4910 / 2824 4330;  
Fax: (044)- 28211002  
E-mail: nikita.k@orchidpharma.com  
Website: www.orchidpharma.com

##### b) Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited  
2<sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017, Tamil Nadu, India.  
Tel : 91-44-28140801 - 03, Fax : 91-44-28142479  
E-Mail : corpserv@integratedindia.in  
Website : www.integratedindia.in

#### Other Disclosures

##### Materially Significant Related Party Transaction

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on an arm's length price basis and in the ordinary course of business. Details of Related Parties and Related Party Transactions as required are furnished under Note No.50 of the notes to the accounts attached

with the standalone financial statements of the Company for the year ended 31st March, 2020. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a "Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT" and the same has been uploaded on the website of the Company and can be accessed at [www.orchidpharma.com](http://www.orchidpharma.com)

#### **Details of Non-Compliance by the company**

The Company could not finalise the Audited financial statements for the Quarter/Year ended March 31, 2019 within due dates. The Company has received notice from stock exchanges towards fine for delay in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Audited financial results for the year ended March 31, 2019. Accordingly, a fine of Rs. 23,600/- by National Stock Exchange of India Ltd and Rs. 23,600/- by BSE Ltd was imposed on the Company for delay in submission of financial results for the above specified period.

There was a delay in submission of the Annual Secretarial Compliance report under Regulation 24 A of the SEBI (LODR) Regulations, 2015 by a period of three days. Further, there was a delay in submission of unaudited financial statements for the quarter ended December 31, 2019, by a period of three days. There was delay in compliance with Regulation 6(1) of the SEBI (LODR) Regulations, 2015, as the Company was unable to fill the vacancy of Company Secretary within the stipulated timelines.

#### **Vigil Mechanism and Whistle blower policy**

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board has adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

The Company's Policies on dealing with Related Party Transactions and determining 'Material' Subsidiaries are available on the Company's website viz: [http://www.orchidpharma.com/ir\\_downloads.aspx](http://www.orchidpharma.com/ir_downloads.aspx)

#### **Commodity price risk, Foreign Exchange Risk and Hedging Activities:**

A significant part of the Orchid's revenue, costs, assets and liabilities are denominated in foreign currencies. Unhedged trade and financial exposure thus creates potential to adversely impact its operations and overall profitability.

#### **Details of utilization of funds raised through preferential**

#### **allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (LODR) Regulations.**

In accordance with the approved Resolution Plan, funds were raised through Preferential allotment of Equity shares and the same were utilised for the purposes enunciated in the approved Resolution Plan, the details of which may be referred to in the Management Discussion and Analysis report.

#### **Details of Compliance with Mandatory Requirements of Corporate Governance for the financial year 2019-20:**

The provisions as specified in Regulations 18, 19, 20 and 21 were not applicable during the CIRP period in respect of a listed entity which is undergoing CIRP under the Insolvency Code provided that the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the Interim Resolution Professional or Resolution Professional / monitoring agent as authorised by monitoring committee.

Pursuant to the Order of the Hon'ble NCLT dated June 27, 2019 and subsequently upheld by Supreme Court of India vide its order dated February 28, 2020, the directors were appointed by the Monitoring Committee on March 31, 2020. However, the induction of Independent Directors including Woman Director was pending on March 31, 2020 and the composition of Board and the Committees was not in accordance with the Listing Regulations, 2015. Further, the Board of Directors at their meeting held on June 29, 2020 appointed four Independent Directors and Woman Director on the Board and the reconstitution of the Board and the Committees of the Board in accordance with SEBI (Listing Obligations and Disclosure Requirements) was adhered to.

The details of delay in Compliance with Regulation 6, 24A and 33 of the SEBI (LODR) Regulations, 2015 are disclosed in detail in the Corporate Governance Report.

#### **If the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, disclosure thereof:**

Not Applicable.

#### **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory auditor and all entities in the network firm/ network entity of which statutory auditor is a part**

The amount of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to, the Statutory Auditor in the financial year 2019-2020 is disclosed in Note No. 35 (a) of Standalone financial statements & Note No. 34 of Consolidated financial statements for the financial year 2019-2020.



#### Details of Compliance with respect to disclosure on Website in terms of Listing Regulations, 2015

ITEM	COMPLIANCE STATUS (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	No*
Composition of various committees of board of directors	Yes <sup>#</sup>
Code of conduct of Board of directors and Senior management personnel	Yes
Details of establishment of vigil mechanism/Whistle-Blower policy	Yes
Criteria of making payments to Non-Executive Directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarisation programmes imparted to Independent directors	No*
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	Yes

\*During the reporting period, there was no Independent Directors on the Board since powers of Board stood suspended with commencement of Corporate Insolvency Resolution Process and therefore the requirement for familiarisation programme does not arise. Further to the implementation of the Approved Resolution Plan, the existing Board of Directors have deemed to have resigned and the Board has been reconstituted with four Additional Directors with effect from March 31, 2020. Further, four Independent Directors were inducted on the Board with effect from June 29, 2020

<sup>#</sup> Pursuant to the order of the Hon'ble NCLT dated June 27, 2019 and subsequently upheld by Hon'ble Supreme Court of India vide its order dated February 28, 2020, four directors were appointed by the Monitoring Committee on March 31, 2020. The Board of Directors has reconstituted the Audit, Stakeholder Relationship and Nomination and Remuneration Committees on March 31, 2020. Further, the Independent Directors were inducted on the Board with effect from June 29, 2020 and the Committees were reconstituted in accordance with Listing Regulations with effect from June 29, 2020



## **Compliance with Non-Mandatory Requirements:**

### **The Board**

The Office of Non-Executive Chairman is maintained by the Company at its expenses and all the expenses incurred in performance of his duties are reimbursed by the Company.

However, pursuant to the Corporate Insolvency resolution Process, the powers of the Board of Directors stood suspended and the powers were vested with the Resolution Professional.

### **Shareholder Rights**

The quarterly results of the company are published in one English and one Tamil newspaper having wide circulation in Tamil Nadu, normally Trinity Mirror and Makkal Kural. Further, the quarterly results are also posted on the website of the Company (www.orchidpharma.com) and on the websites of the Stock Exchanges with which the Company is listed.

In view of the foregoing, the quarterly / half-yearly results of the company were not sent to the shareholders individually.

### **Modified Opinion(s) in Audit Report**

The modified opinion may be referred to in Independent Auditors' Report on the Standalone Financial Statements and Consolidated Financial Statements for the financial Year 2019-20.

### **Separate Posts of Chairman and Managing Director /CEO up to CIRP date**

The Company had separate posts for Chairman and Managing Director/CEO up to the initiation of CIRP. Pursuant to resignation of the Chairman during the FY 2017-18, the Post of Chairman remained vacant. On June 29, 2020, the Board has filled in the positions of Chairman and Managing Director separately.

### **Reporting of Internal Auditor**

Pursuant to the initiation of the CIRP, the powers of the Board of Directors stood suspended. All responsibilities of the Board of Directors and the Committees thereof were entrusted with the Resolution Professional. Pursuant to the implementation of the approved Resolution plan, the Audit Committee was constituted on March 31, 2020.

### **Disclosure of Compliance on Requirements of para (2) to (10) of Schedule V, Part C of Listing Regulations, 2015**

The Company has complied with the mandatory requirements as specified in sub-para (2) to (10) of schedule V, Part C of Listing

Regulations, 2015.

### **Disclosure of compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015**

The Company has generally complied with the Corporate Governance requirements as specified in regulation 17 to 27 except for delay of three days in submission of the Annual Secretarial Compliance report as per the provisions of Regulation 24A and Regulation 25, as there were no Independent Directors on the Board of the Company as on March 31, 2020. However, the reconstituted Board of your Company have appointed Independent Directors on the Board of the Company in accordance with SEBI (LODR) Regulations, 2015 with effect from June 29, 2020. The Company has complied with the Corporate Governance requirements as specified in clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, 2015 except for disclosure of details of familiarization programmes imparted to independent directors on the website of the Company, as there were no Independent Directors on the Board of the Company during financial year 2019-2020 and accordingly no familiarisation programmes could be conducted.

### **Certificate from a Company Secretary**

Pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being the appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

### **Certificate on Corporate Governance**

As required by Regulation 34(3) Schedule V (E) of the SEBI Listing Regulations, the certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this report.

### **CEO/CFO Certification**

The Board has received a compliance certificate from the Managing Director of the Company and the Chief Financial Officer of the Company pursuant to Regulation 17(8) read with Schedule II Part B of SEBI Listing Regulations.

For and on behalf of the Board of Directors of  
**Orchid Pharma Limited**

Place: New Delhi

Date : November 11, 2020

**Manish Dhanuka**

Managing Director

DIN:00238798

**Mridul Dhanuka**

Whole Time Director

DIN:00199441