

## Annexure V to the Directors' Report

# Corporate Governance Report

### 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 Company has been complying with Corporate Governance norms right from its inception. The Company complies with the Corporate Governance Regulations as enumerated in Regulation 15-27, 46 and Schedule II of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (herein after called as "Listing Regulations").

### B. Board of Directors

#### 1. Composition of Board

The Chairman of the Board of Directors is a Non –Executive, Independent Director. During the year the Board had optimum combination of Executive and Non-Executive Directors. None of the directors are related to each other. Board consists of 5 Directors, out of whom 4 are Non-Executive Directors. Non-Executive Directors constitutes 80% of the total Strength which is more than the requirement of Regulation 17 of Listing Regulations. Out of 4 Non-Executive Directors, two are Independent Directors which is equal to 1/3rd of the total strength and a woman director as required under the Companies Act, 2013 and Listing Regulations. All the Directors of the company are Resident Indians.

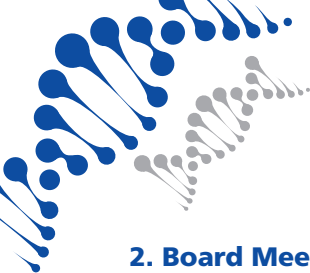
The composition of Board and the details of directorships in other Companies and Committee positions during the year ended March 31, 2017 are as follows:

| S. No | Name(s) of the Director(s)  | Category  | Number of Directorship held in other listed companies | Number of Board committee positions in other companies held as |            |
|-------|-----------------------------|---|---|--|------------|
|       |                             |   |   | Member *   | Chairman * |
| 1     | Shri K N Venkatasubramanian | Non - Executive, Independent                                | 3   | 5  | 2          |
| 2     | Shri K Raghavendra Rao      | Promoter and Executive Director                             | -   | 1  | -          |
| 3     | Shri R Kannan               | Non - Executive, Independent                                | 2   | 5  | 1          |
| 4     | Smt Soundara Kumar          | Non - Executive, Non Independent (Nominee of SBI Ltd)       | 3   | 2  | -          |
| 5     | Shri Rabinarayan Panda      | Non - Executive, Non Independent (Nominee of IDBI Bank Ltd) | 1   | 1  | -          |
| 6     | Shri S Krishnan#            | Non - Executive, Non Independent                            | -   | -  | -          |

Notes: There are no inter-se relationships between Board members.

\*As required by Regulation 26 of Listing Regulations, the disclosure includes Membership/Chairmanship of the audit committee and Stakeholder relationship Committee across all Public Limited companies, including Orchid.

# Shri S Krishnan resigned from Office of Director with effect from May 31, 2016.



## 2. Board Meetings & Attendance Record of the Directors

The Board meets at least once in a quarter to review the quarterly financial results and operations of your Company. It also meets as and when necessary to address specific issues relating to the business of your Company. During the year ended March 31, 2017, the Board met 6 (Six) times on May 27, 2016, August 13, 2016, November 09, 2016, January 04, 2017, February 07, 2017 & March 28, 2017. The attendance records of the Directors are as under:

| Name(s) of the Director(s)  | Number of Board Meetings Attended | Last AGM Attendance |
|---|-----------------------------------|---------------------|
| Shri K N Venkatasubramanian   | 6                                 | Present             |
| Shri K Raghavendra Rao  | 6                                 | Present             |
| Shri R Kannan   | 6                                 | Not Present         |
| Shri Rabinarayan Panda  | 6                                 | Present             |
| Smt Soundara Kumar  | 6                                 | #                   |
| Shri S Krishnan   | 1                                 | @                   |
| @ Not a member of the Board on the date of AGM.<br># Observer was present at the meeting. |                                   |                     |

## 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 Directors 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)). The Board members and 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 held by Non-Executive Directors

| Name of the Director        | Number of Shares |
|-----------------------------|------------------|
| Shri K N Venkatasubramanian | 3,000            |

## 5. Meeting of Independent Directors

During the year 2016-17, the meeting of Independent directors was held on March 28, 2017. The Independent Directors review the performance of non-independent directors and the Board of Directors as a whole and also reviews the performance of the chairperson of the Company after considering the views of Executive directors and Non-executive directors. They also assess the quality, content & timeliness of flow of Information between the management and the Board of Directors.

### Familiarisation Programme for Independent Directors:

The Company has formulated a Familiarisation Programme for Independent Directors. The Familiarization Programme is posted on your Company's Website under the Weblink <http://www.orchidpharma.com/downloads/Familiarization%20Programme%20for%20Independent%20Directors.pdf>

## 6. Audit Committee

The Constitution of Audit Committee are in line with the provisions of section 177 of the Companies Act, 2013 and Listing Regulations. The Audit Committee of the Board consists of three directors with Independent Directors forming a majority. All the members of the committee are financially literate with ability to read and understand the financial statements.

The Terms of reference specified by Board are described:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Examination of financial statements and the Auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

In addition, the committee has discharged 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 Audit Committee met 4 (Four) times during the year ended March 31, 2017 on May 27, 2016, August 13, 2016, November 09, 2016 & February 07, 2017.

The composition of the Committee and the attendance record are given below:

| Name(s) of the Director(s)  | Category  | Number of Meetings Attended |
|-----------------------------|---|-----------------------------|
| Shri K N Venkatasubramanian | Non -Executive, Independent Director - Chairperson            | 4                           |
| Shri Rabinarayan Panda      | Non - Executive, Non - Independent (Nominee of IDBI Bank Ltd) | 4                           |
| Shri R Kannan               | Non-Executive, Independent                                    | 4                           |

The Company Secretary is the Secretary of the Audit Committee.

## 7. Nomination and Remuneration Committee

Nomination and Remuneration Committee determines and recommends the remuneration payable to the Executive Directors/Whole Time Directors and Senior Management on the basis of their performance as well as Company's performance, subject to consents as may be required. The remuneration to the Executive Directors consists of a fixed salary and other perquisites, allowances & benefits. Wherever applicable the perquisites are considered as a part of remuneration and taxed as per the Income Tax laws.

The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings /Committee Meetings. The Nomination and Remuneration Committee deals with all elements of remuneration package, stock options, service contracts, etc., of all Executive Directors/Whole-Time Directors and Senior Management.

### Role of Nomination and Remuneration Committee:

- (1) formulation of 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 recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

Further details of evaluation of performance of the Board, its Committees and Individual Directors are provided in the Boards' Report.

The Nomination and Remuneration Committee met twice during the year ended March 31, 2017 on May 27, 2016 & March 28, 2017.

The composition of the Committee and the attendance record are given below:

| Name(s) of the Director(s)  | Category  | Number of Meetings Attended |
|-----------------------------|---|-----------------------------|
| Shri R Kannan               | Non - Executive, Independent Director - Chairperson           | 2                           |
| Shri K N Venkatasubramanian | Non - Executive, Independent                                  | 2                           |
| Shri S Krishnan#            | Non - Executive, Non - Independent                            | 1                           |
| Shri Rabinarayan Panda#     | Non - Executive, Non - Independent (Nominee of IDBI Bank Ltd) | 1                           |

# Shri Rabinarayan Panda was appointed in place of Shri S Krishnan, who has resigned with effect from May 31, 2016.



## Performance Evaluation of Board and the Directors:

Pursuant to the Provisions of Companies Act, 2013 and the relevant rules made there under and Regulation 19(4) of Listing Regulations, the Nomination & Remuneration Committee of the Board has laid down criteria for evaluation of performance of the directors. In this regard, a questionnaire was prepared by the Committee covering various aspects such as Attendance and Active Participation, Level of Independence & Confidentiality, Compliance with Code of conduct, etc.,

The Performance evaluation of Independent Director was carried out by the Non – Independent Directors and the Performance of the Managing Director and Other Non – Executive Directors were carried out by the Independent Director.

Details of the Remuneration and Sitting Fees paid to the Directors for the Year 2016-17 are given below:

| Name(s) of the Director(s)  | Remuneration paid during the year 2016-17 (In ₹) |                   |              |           | No. of Stock Options |
|-----------------------------|--|-------------------|--------------|-----------|----------------------|
|                             | Salary & Perquisites                             | Commission/ bonus | Sitting fees | Total     |                      |
| Shri K Raghavendra Rao      | 77,45,727  | -                 | -            | 77,45,727 | -                    |
| Shri K N Venkatasubramanian | -  | -                 | 3,40,000     | 3,40,000  | -                    |
| Shri S Krishnan             | -  | -                 | 80,000       | 80,000    | -                    |
| Shri R Kannan               | -  | -                 | 2,80,000     | 2,80,000  | -                    |
| Shri Rabinarayan Panda      | -  | -                 | 2,60,000     | 2,60,000  | -                    |
| Smt Soundara Kumar          | -  | -                 | 1,40,000     | 1,40,000  | -                    |

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))

@ The Board appointed Shri K N Venkatasubramanian as the Member & Chairperson of the committee on the meeting held on August 13, 2016.

# Shri R Kannan was temporarily appointed in place of Shri S Krishnan, who had resigned with effect from May 31, 2016.

The Board has designated Shri L Chandrasekar, Executive VP – Finance & Secretary as the Compliance Officer.

## 8. Stakeholder Relationship Committee

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. The Stakeholders Relationship Committee met 4 (Four) times during the year ended March 31, 2017 on May 27, 2016, August 13, 2016, November 09, 2016 & on February 07, 2017.

| Name(s) of the Director(s) | Category  | Number of Meetings Attended |
|----------------------------|---|-----------------------------|
| K N Venkatasubramanian@    | Non - Executive, Independent - Chairperson      | 2                           |
| R Kannan#                  | Non - Executive, Independent                    | 1                           |
| Shri K Raghavendra Rao     | Promoter and Executive Director                 | 4                           |
| Shri S Krishnan#           | Non -Executive, Non - Independent - Chairperson | 1                           |

The following table shows the nature of complaints received from shareholders during the financial year 2016-17, all of which have been responded within one month.

| S. No | Nature of Complaints   | Received and Resolved |           |
|-------|--|-----------------------|-----------|
|       |  | 2016 -17              | 2015 - 16 |
| 1.    | Non-receipt of share certificates sent for transfer/bonus shares | 2                     | -         |
| 2.    | Non-receipt of dividend warrants                                 | -                     | 4         |
| 3.    | Complaints from SEBI, Stock exchanges and Government departments | 5                     | 3         |
|       | TOTAL  | 7                     | 7         |

No. of Complaints not solved to the satisfaction of shareholders during the financial year 2016-17: Nil

No of Pending Complaints as at the year end: Nil

## 9. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The Committee met on March 28, 2017 during the financial year 2016-17. A complete report on various initiatives and programmes undertaken by your Company in CSR areas has been provided in the Directors' Report.

**The composition of the Committee and the attendance of each member of the Committee to the meeting are given below:**

| Name(s) of the Director(s)  | Category  | Number of Meetings Attended |
|-----------------------------|---|-----------------------------|
| Shri K N Venkatasubramanian | Non - Executive, Independent - Chairperson                      | 1                           |
| Smt Soundara Kumar          | Non - Executive, Non Independent - (Nominee of SBI Ltd)         | 1                           |
| Shri Rabinarayan Panda      | Non - Executive, Non - Independent - (Nominee of IDBI Bank Ltd) | 1                           |

## 10. Allotment Committee

The Committee considers allotment of equity shares whenever the need arises. The Committee comprises of Shri K N Venkatasubramanian and K Raghavendra Rao. The Committee has not met during the financial year 2016-17.

## 11. Compensation Committee

Pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, a Compensation Committee was constituted in the year 1999. The purpose of this committee is to grant options to employee. The Committee comprises of Shri K Raghavendra Rao and Shri Rabinarayan Panda. The Committee has not met during the financial year 2016-17.

## 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 unanimously.

| Year | AGM / EGM | Location   | Special resolutions passed  | Date               | Time     |
|------|-----------|--|---|--------------------|----------|
| 2016 | AGM       | Kamaraj Memorial Hall, TNCC Charitable Trust, New No 492, Anna Salai, Teynampet West, Chennai – 600 006. | - NIL -   | September 28, 2016 | 10.30 AM |
| 2015 | AGM       | Kamaraj Memorial Hall, TNCC Charitable Trust, New No 492, Anna Salai, Teynampet West, Chennai – 600 006. | a) Approval sought for the revised terms and remuneration of the Managing Director.<br>b) To change the Name of the Company to "Orchid Pharma Limited". | September 15, 2015 | 10.30 AM |
| 2013 | AGM       | Sathguru Gnanananda Hall, Narada Gana Sabha, 314, TTK Road, Alwarpet Chennai-600018.                     | - NIL -   | March 19, 2014     | 10.30 AM |



## Postal Ballot

The Company has not conducted any postal ballot during the year ended March 31, 2017, pursuant to Section 110 of the Companies Act, 2013.

## 13. Means of Communication:

- Financial Results are published by the Company in Financial Express and Makkal Kural.
- Results are also uploaded onto 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 2016 - 17.

## 14. General Shareholder Information

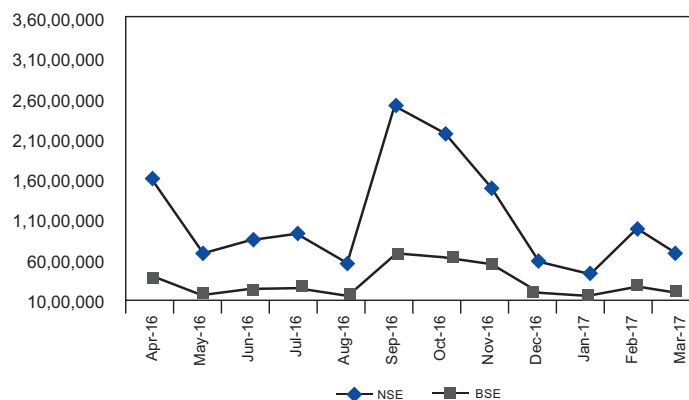
|   |   |   |
|---|---|---|
| 1 | Registered Office   | 'ORCHID TOWERS', 313, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034, Tamil Nadu, India.  |
| 2 | Date, Time and Venue of 24th Annual General Meeting (AGM) | Wednesday, September 13, 2017, 10.30 A.M at The Music Academy, Old No.306, New No.168, TTK Road, Royapettah, Chennai - 600 014, Tamil Nadu, India .   |
| 3 | Book Closure Date   | Thursday, September 07, 2017 to Wednesday, September 13, 2017 (both days inclusive)   |
| 4 | Financial Calendar  | 1st April to 31st March   |
|   | Financial reporting for -                                 |   |
|   | Quarter ending June 30, 2017                              | Second week of September 2017   |
|   | Quarter ending September 30, 2017                         | Second week of December 2017  |
|   | Quarter ending December 31, 2017                          | Second week of February 2018  |
|   | Quarter ending March 31, 2018                             | Last week of May 2018   |
| 5 | Dividend Payment Date                                     | Not applicable.   |
| 6 | The Equity Shares of Rs.10/- each are listed at           | <b>National Stock Exchange of India Limited</b><br>"Exchange Plaza", Plot No,C/1,G Block<br>Bandra-Kurla Complex,Bandra (East), Mumbai - 400 051,Maharashtra,India<br>Tel : 91-22-26598100 ,Fax : 91-22-26598120<br><b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India<br>Tel : 91-22-22721233 ,Fax : 91-22-22721919 |
| 7 | Global Depository Receipts (GDR's) are listed at          | <b>Luxembourg Stock Exchange</b><br>BBoursede Luxembourg<br>35A Boulevard Joseph II L-1840 Luxembourg,<br>Telephone: +352 47 79 36 - 1, Fax: +352 47 32 98.<br><b>London Stock Exchange</b><br>Registered Office: 10, Paternoster Square, London EC4M 7LS   |
| 8 | Listing Fees  | Listing Fees has been paid for all the above Stock Exchanges for the year 2016 -17 & 2017-18.   |

## Stock Market Data

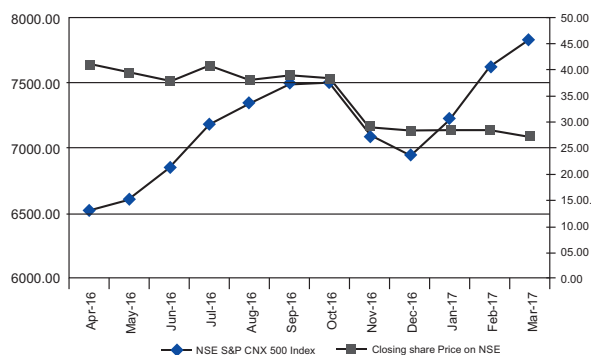
a) Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2016-17 are:

| Month        | NSE      |         |                        | NSE S&P CNX 500 INDEX (Avg) | BSE      |         |                        | BSE 500 INDEX (Avg) |
|--------------|----------|---------|------------------------|-----------------------------|----------|---------|------------------------|---------------------|
|              | High (₹) | Low (₹) | Volume of Shares (Nos) |                             | High (₹) | Low (₹) | Volume of Shares (Nos) |                     |
| Apr-16       | 45.75    | 37.30   | 1,60,66,182            | 6,526.31                    | 45.90    | 37.30   | 38,46,792              | 10,308.39           |
| May-16       | 42.15    | 36.75   | 69,43,770              | 6,605.71                    | 42.15    | 36.70   | 18,34,961              | 10,436.80           |
| Jun-16       | 40.90    | 35.25   | 84,32,087              | 6,853.98                    | 40.85    | 35.15   | 22,69,219              | 10,831.88           |
| Jul-16       | 43.15    | 39.50   | 93,58,251              | 7,184.43                    | 43.05    | 39.55   | 25,11,517              | 11,350.38           |
| Aug-16       | 40.80    | 35.55   | 57,73,527              | 7,352.02                    | 40.85    | 35.60   | 14,95,570              | 11,614.36           |
| Sep-16       | 45.85    | 36.20   | 2,52,82,213            | 7,503.26                    | 45.85    | 36.30   | 67,35,936              | 11,860.64           |
| Oct-16       | 41.00    | 36.50   | 2,19,19,599            | 7,506.49                    | 41.00    | 36.65   | 65,14,495              | 11,876.64           |
| Nov-16       | 37.15    | 23.90   | 1,50,08,583            | 7,091.70                    | 37.45    | 23.70   | 52,46,797              | 11,214.21           |
| Dec-16       | 31.10    | 26.20   | 56,87,571              | 6,947.94                    | 31.20    | 26.00   | 18,81,395              | 10,987.80           |
| Jan-17       | 30.20    | 26.80   | 44,04,912              | 7,221.75                    | 30.20    | 26.90   | 13,21,934              | 11,415.72           |
| Feb-17       | 31.50    | 26.60   | 1,00,60,787            | 7,632.58                    | 31.50    | 26.70   | 26,52,883              | 12,059.19           |
| Mar-17       | 29.35    | 26.00   | 63,79,896              | 7,838.67                    | 29.35    | 26.00   | 18,92,127              | 12,380.54           |
| <b>TOTAL</b> |          |         | <b>13,53,17,378</b>    |                             |          |         | <b>3,82,03,626</b>     |                     |

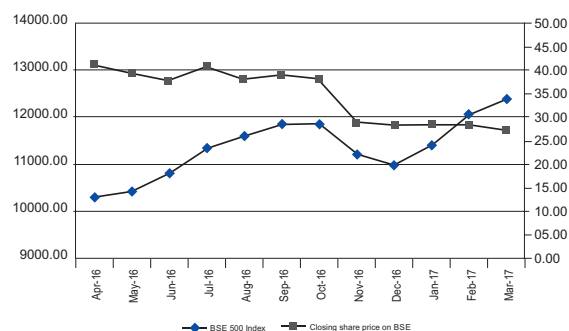
b) Graphical representation of volume of shares traded of Orchid during April 2016- March 2017



c) Comparison of broad based indices of NSE with share price of Orchid Pharma Ltd during April 01, 2016- March 31, 2017



d) Comparison - BSE Index vs Share price of Orchid Pharma Ltd.







## Stock Exchange Security Code and other related Information

|  |                       |
|--|-----------------------|
| BSE Limited                              | 524372                |
| National Stock Exchange of India Limited | ORCHIDPHAR            |
| Depository ISIN No.                      | INE191A01019          |
| Corporate Identification Number (CIN)    | L24222TN1992PLC022994 |

### EQUITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2017

| 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 |
| 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 |



| Date      | Particulars   | Number of Shares   |             |
|-----------|---|--------------------|-------------|
|           |   | Issued             | Cumulative  |
| 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>TOTAL</b>  | <b>8,89,64,327</b> |             |

### Distribution of Shareholding as on:

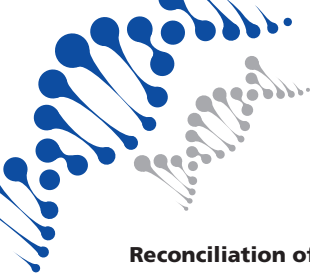
| No of equity Shares held | March 31, 2017     |                    |                   | March 31, 2016     |                    |                   |
|--------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
|                          | No of shares       | No of Shareholders | % of Shareholders | No of shares       | No of Shareholders | % of Shareholders |
| 1-500                    | 1,04,86,626        | 75,167             | 83.79             | 99,17,347          | 75,428             | 86.97             |
| 501-1000                 | 59,87,524          | 7,312              | 8.15              | 48,97,467          | 6,043              | 6.97              |
| 1001-2000                | 57,98,386          | 3,771              | 4.20              | 42,96,316          | 2,841              | 3.28              |
| 2001-3000                | 31,93,294          | 1244               | 1.39              | 21,79,489          | 850                | 0.98              |
| 3001-4000                | 20,43,903          | 563                | 0.63              | 14,18,417          | 390                | 0.45              |
| 4001-5000                | 22,39,547          | 472                | 0.53              | 15,33,654          | 324                | 0.37              |
| 5001-10000               | 49,63,104          | 671                | 0.75              | 34,84,596          | 478                | 0.55              |
| 10001 & above            | 5,42,51,943        | 506                | 0.56              | 6,12,37,041        | 370                | 0.43              |
| <b>TOTAL</b>             | <b>8,89,64,327</b> | <b>89,706</b>      | <b>100</b>        | <b>8,89,64,327</b> | <b>86,724</b>      | <b>100</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 upto March 31, 2017 are :

| No. of Shares      | % of Shares  | No. of Shareholders | % of Shareholders |
|--------------------|--------------|---------------------|-------------------|
| <b>8,49,74,175</b> | <b>95.51</b> | <b>87,850</b>       | <b>97.93</b>      |

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 not been suspended from trading during the financial year 2016-17.

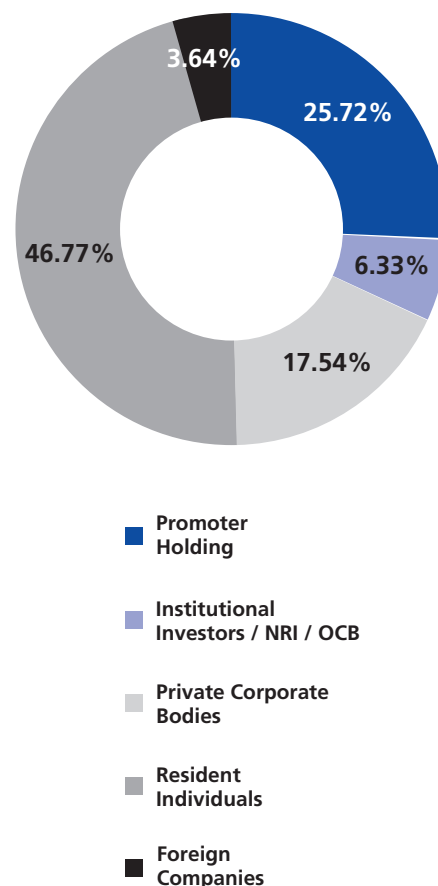


## Reconciliation of Share Capital Audit

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, 2017

|          | Category  | No of Shares Held  | Percentage of Shareholding |
|----------|---|--------------------|----------------------------|
| <b>A</b> | <b>PROMOTER HOLDING</b>   |                    |                            |
| 1        | Promoters / Promoter Group  |                    |                            |
|          | (a) Indian  | 2,28,78,897        | 25.72                      |
|          | (b) Foreign   | -                  | -                          |
|          | <b>Sub-Total (1)</b>  | <b>2,28,78,897</b> | <b>25.72</b>               |
| <b>B</b> | <b>NON-PROMOTER HOLDING</b>   |                    |                            |
| 2        | Institutional Investors   |                    |                            |
|          | (a) Mutual Funds  | 4,850              | 0.01                       |
|          | (b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions) | 35,82,523          | 4.02                       |
|          | (c) Foreign Institutional Investors (FIIs)  | 9,76,663           | 1.10                       |
|          | <b>Sub-Total (2)</b>  | <b>45,64,036</b>   | <b>5.13</b>                |
| 3        | OTHER INVESTORS   |                    |                            |
|          | (a) Private Corporate Bodies  | 1,55,99,094        | 17.54                      |
|          | (b) Indian Public (Resident Individuals)  | 4,16,09,003        | 46.77                      |
|          | (c) Non Resident Indians / Overseas Corporate Bodies  | 10,71,609          | 1.20                       |
|          | (d) Foreign Companies   | 32,41,688          | 3.64                       |
|          | <b>Sub Total (3)</b>  | <b>6,15,21,394</b> | <b>69.15</b>               |
|          | <b>GRAND TOTAL (1+2+3)</b>  | <b>8,89,64,327</b> | <b>100.00</b>              |



## Global Depository Receipts (GDRs)

The number of GDRs outstanding as on March 31, 2017 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.

## Share Transfer System

Pursuant to the approved demerger of Registry business of M/s Integrated Enterprises (India) Limited, M/s Integrated Registry Management Services Private Limited was incorporated to carry out the business relating to registry activities. Accordingly, as required under Regulation 7(1) of Listing Regulations, your company has appointed M/s Integrated Registry Management Services Private Limited as the Registrar and Share Transfer Agents for facilitating both physical and electronic segments. The Stakeholders Relationship Committee met 4 times during the year 2016-17. Securities lodged for transfer with the Registrar are processed within 15 days from the date of lodgement. The Board has delegated the power to approve the Share transfer activities to few employees of the Company.

## Unclaimed Dividends

Pursuant to Section 123 of the Companies Act, 2013, the unclaimed dividend amounting to Rs. 9,83,577/- pertaining to the financial year 2007-08 was transferred to the Investor Education and Protection Fund (IEPF) in December 2015 and the unclaimed dividend amounting to Rs.4,61,816/- pertaining to the financial year 2008-09 was transferred to the Investor Education and Protection Fund (IEPF) in December 2016.

Unclaimed dividend for the financial year 2009-10 is due for transfer to IEPF in August 2017. The dividends for the years from 2010-11 onwards, which remain unclaimed for seven years will be transferred to IEPF established by the Central Government under Section 125 of the Companies Act, 2013 as and when they become due. Shareholders who have not encashed their dividends for these periods are requested to write to the Company.

## Equity Shares in the Suspense Account

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, 2017:

| 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, 2016  | 205                 | 12,086               |
| 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    | Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017 | 205                 | 12,086               |

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 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.

## Plant Locations:

### a) Active Pharmaceutical Ingredient Facilities

#### 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 603 110, 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.

### c) Research and Development Centre

Survey Nos. 476/14, 15A, 16A, 17A, 17B1, 24A & 25A, Old Mahabalipuram Road, Shozhanganallur Chennai - 600 119, Tamil Nadu, India.



## Investor Contacts

### a) Investor Correspondence / Compliance Officer

Shri L Chandrasekar  
Executive VP – Finance & Secretary  
Phone: +91-44-2824 4330 / 2824 4305 / 308; Fax: +91-44-28211002  
E-mail: corporate@orchidpharma.com  
Website: www.orchidpharma.com

### b) Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited  
(Pursuant to demerger of Registry Business of  
M/s. Integrated Enterprises (India) Ltd.)  
2nd Floor, Kences Towers, No 1, Ramakrishna Street,  
North Usman Road, T Nagar, Chennai – 600 017,  
Tamilnadu, 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

There was no Materially Significant Related Party Transactions entered into by the company during the year 2016-17. The Transactions with related parties that are recorded in the Register of Contracts maintained under section 189 of the Companies Act, 2013 are entered in the ordinary course of business and does not qualify as materially Significant Related Party transactions. These transactions does not cause potential conflict with the interests of the Company.

### ● Details of Non-Compliance by the Company

The Company has complied with all the statutory regulations except the following-

The Company had allotted 37,02,450 shares as part of second tranche under preferential allotment to the promoter group Company (Orchid Healthcare Private Limited) as per Corporate Debt Restructuring Programme. Subsequent to the preferential allotment, there was an inadvertent violation of Regulation 78 (6) of the SEBI (ICDR) Regulations, 2009 due to sale of shares held by promoter group which were pledged to institutions. In this regard, the Company had filed a Settlement Application with SEBI under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 on May 11, 2016. The Company, through its authorized representative had attended the Internal Committee Meeting held on April 27, 2017 at SEBI Bhavan, Mumbai. The final order from SEBI is awaited. (Refer Addendum to Directors' Report).

### ● 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)

### ● 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. Risks are recognized at the contractual juncture under natural hedge process at various stages of operations depending upon the nature of the transactions and in accordance with the hedging policy and strategy of the Company. During the year, risk management practices continued to focus on minimising the economic impact on Company's profitability arising from fluctuations in exchange rates.

Details of Compliance with Mandatory Requirements of Corporate Governance for the financial year 2016-17:

| S.No | Particulars   | Regulation Number          | Compliance status (Yes/No/NA) |
|------|---|----------------------------|-------------------------------|
| 1    | Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)           | Yes                           |
| 2    | Board composition   | 17(1)                      | Yes                           |
| 3    | Meeting of Board of Directors   | 17(2)                      | Yes                           |
| 4    | Review of Compliance Reports  | 17(3)                      | Yes                           |
| 5    | Plans for orderly succession for appointments   | 17(4)                      | Yes                           |
| 6    | Code of Conduct   | 17(5)                      | Yes                           |
| 7    | Fees/compensation   | 17(6)                      | Yes                           |
| 8    | Minimum Information   | 17(7)                      | Yes                           |
| 9    | Compliance Certificate  | 17(8)                      | Yes                           |
| 10   | Risk Assessment & Management  | 17(9)                      | Yes                           |
| 11   | Performance Evaluation of Independent Directors   | 17(10)                     | Yes                           |
| 12   | Composition of Audit Committee  | 18(1)                      | Yes                           |
| 13   | Meeting of Audit Committee  | 18(2)                      | Yes                           |
| 14   | Composition of Nomination & Remuneration Committee  | 19(1) & (2)                | Yes                           |
| 15   | Composition of Stakeholder Relationship Committee   | 20(1) & (2)                | Yes                           |
| 16   | Composition and role of Risk Management Committee   | 21(1),(2), (3) & (4)       | Yes                           |
| 17   | Vigil Mechanism   | 22                         | Yes                           |
| 18   | Policy for Related Party Transaction  | 23(1), (5), (6), (7) & (8) | Yes                           |
| 19   | Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2) & (3)                | Yes                           |
| 20   | Approval for material related party transactions  | 23(4)                      | Yes                           |
| 21   | Composition of Board of Directors of unlisted material Subsidiary   | 24(1)                      | NA                            |
| 22   | Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2), (3), (4), (5) & (6) | Yes                           |
| 23   | Maximum Directorship & Tenure   | 25(1) & (2)                | Yes                           |
| 24   | Meeting of independent directors  | 25(3) & (4)                | Yes                           |
| 25   | Familiarization of independent directors  | 25(7)                      | Yes                           |
| 26   | Memberships in Committees   | 26(1)                      | Yes                           |
| 27   | Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3)                      | Yes                           |
| 28   | Disclosure of Shareholding by Non-Executive Directors   | 26(4)                      | Yes                           |
| 29   | Policy with respect to Obligations of directors and senior management   | 26(2) & (5)                | Yes                           |



## 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.

- **Shareholder Rights**

The quarterly results of the Company are published in one English and one Tamil newspaper having wide circulation in Tamilnadu, normally Financial Express and Makkal Kural. Further, the quarterly results are also posted on the website of the Company ([www.orchidpharma.com](http://www.orchidpharma.com)) and on the websites of the Stock Exchanges with which the Company's equity shares are listed. In view of the foregoing, the half-yearly results of the company are not sent to the shareholders individually.

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

As per Auditors' Report on the Financial Statements.

- **Separate Posts of Chairman and Managing Director / CEO**

Shri K N Venkatasubramanian, Independent Director is the Chairman and Shri. K Raghavendra Rao is the Managing Director of the Company.

- **Reporting of Internal Auditor**

During the year, the Company's Internal Auditor have made presentations to the Audit Committee of the Board on various Departments / Areas audited by them.

- **Disclosure of Compliance on Requirements of para (2) to (10) of Schedule V, Part C of SEBI (LODR) Regulations, 2015**

The Company has complied with the mandatory requirements as specified in sub-para (2) to (10) of schedule V, Part C of SEBI (LODR) 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 SEBI (LODR) Regulations, 2015**

The Company has complied with the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

## 15 CEO/CFO Certification

To  
The Board of Directors  
Orchid Pharma Limited,  
Chennai.

### We the undersigned, certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 and to the best of our knowledge and belief:
  - (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These Statements together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and where applicable, we and the Internal Auditors have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee where required:
  - i) Significant changes in internal control over financial reporting during the year; and
  - ii) Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chennai  
Date : May 26, 2017

**L Chandrasekar**  
Chief Financial Officer

**K Raghavendra Rao**  
Managing Director

#### **Code of Conduct Certification**

In accordance with Regulation 26(3) of Listing Regulation, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for year ended March 31, 2017.

Place: Chennai  
Date : May 26, 2017

**K Raghavendra Rao**  
Managing Director





## CERTIFICATE ON CORPORATE GOVERNANCE

**TO**

**THE MEMBERS OF  
ORCHID PHARMA LIMITED  
CIN: L24222TN1992PLC022994**

We have examined the compliance of conditions of Corporate Governance by M/s. Orchid Pharma Limited ("the Company") for the year ended 31st March, 2017 as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15(2) for the period 1st April, 2016 to 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st April, 2016 to 31st March, 2017.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S Dhanapal & Associates**  
A Firm of Practising Company Secretaries

**N. Ramanathan**  
**Partner**  
Membership No. F6665  
CP No. 11084

Place: Chennai  
Date: 26.05.2017