

Unaudited Financial Results for the quarter and six months ended September 30, 2017 under Ind AS

(Rupees in Lakhs)

	31st March 2017	30th September 2016	30th September 2015	30th September 2014	30th September 2013
Income from Operations					
1 (a) Net Sales / Income from operations	20,934.15	13,963.63	18,967.18	34,697.79	37,412.24
2 (b) Other Income (Net)	471.70	537.52	184.75	1,009.22	1,549.52
3 Total Income (1+2)	21,405.85	14,501.15	19,151.93	35,807.00	38,961.76
Expenses					
a) Consumption of raw materials	9,225.98	9,848.89	8,048.28	19,074.97	15,201.54
b) Purchase of stock-in-trade	8.53	41.88	611.05	50.41	2,983.70
c) Changes in inventories of finished goods, work in progress and stock in trade	2,087.24	(1,362.26)	(116.69)	724.96	2,052.38
d) Employees benefits expense	1,973.32	2,191.85	2,004.70	4,164.97	3,909.38
e) Finance Cost	7,545.10	7,088.52	7,121.06	14,833.62	14,324.78
f) Depreciation and amortisation expense	3,363.85	3,360.77	3,474.21	5,724.62	6,925.47
g) Excise Duty	-	483.25	193.75	483.25	471.07
h) Other expenses	5,262.36	5,912.50	5,929.56	11,174.86	11,049.87
Total Expenses	29,466.38	27,565.30	27,265.62	57,031.68	56,317.99
5 Profit before exceptional items and tax (3-4)	(8,060.53)	(13,064.15)	(8,113.99)	(21,124.68)	(17,356.23)
6 Exceptional Items	-	-	-	-	(8,625.85)
7 Profit before tax (5+6)	(8,060.53)	(13,064.15)	(8,113.99)	(21,124.68)	(25,982.08)
8 Tax expense					
Current tax	-	-	-	-	-
Deferred tax	(1,026.50)	(1,685.23)	(1,210.63)	(2,711.73)	(2,415.56)
Total Tax Expenses	(1,026.50)	(1,685.23)	(1,210.63)	(2,711.73)	(2,415.56)
9 Net profit for the period (7-8)	(7,834.03)	(11,378.92)	(6,903.35)	(18,412.95)	(23,566.52)
10 Other comprehensive income, net of income tax					
a) (i) Items that will not be reclassified to profit or loss	(37.50)	(41.27)	(39.28)	(78.77)	(79.87)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total other comprehensive income, net of income tax	(37.50)	(41.27)	(39.28)	(78.77)	(79.87)
11 Total comprehensive income for the period (9+10)	(7,871.53)	(11,420.19)	(6,942.64)	(18,491.72)	(23,646.39)
12 Paid-up equity share capital	8,896.43	8,896.43	8,896.43	8,896.43	8,896.43
Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
13 Earning per share (Rs) (not annualised)					
- Basic	(7.91)	(12.79)	(7.76)	(20.70)	(26.49)
- Diluted	(7.91)	(12.79)	(7.76)	(20.70)	(26.49)

Notes:

1 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP.No. CP/ 540/ (IB)/ CB/ 2017, dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration no. IBB/MPA-001/MP-P00015/2016-17/10039) have been appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

In view of pendency of the CIRP, and in view of suspension of the powers of board of directors, the powers of adoption of this standalone financial results vest with the RP. The RP has relied upon the representations, clarifications and explanations provided by the Managing Director, Chief Financial Officer and Key Management Personnel of the Company.

These unaudited financial results have been prepared by the management of the company and certified by Mr. K Raghavendra Rao, MD and Mr. L Chandrasekar, CFO in accordance with Regulation 33(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, confirming that the financial statements do not contain any misleading or false statements. The RP has, in review of the unaudited financial results and certifications, relied on the representations and statements made by MD and CFO in relation to these unaudited financial results. The RP has approved these unaudited financial results only to the limited extent of discharging the powers of the Board of Directors of the company which has been conferred upon him in terms of provisions of Section 17 of the Code. It is clarified however that the RP has not conducted an independent verification of these unaudited financial results and has not certified on the truthfulness, fairness, accuracy or completeness of these results, in so far as it pertains to the period prior to commencement of the CIRP and his appointment.

2 Further to the aforesaid CIRP (more fully described in note 1 above), the Company is in the process of making a comprehensive confirmation/ reconciliation of its financial/ contractual obligations, financial and non-financial assets including management's technical estimates in regard to realisation of value of inventories, overdue receivables, loans and advances given and other financial assets. The Company's ability to meet the financial/ contractual obligations including repayment of various loans, unpaid interest and ability to fund various obligations pertaining to operations for ensuring/commencing normal operations and further investments required towards ongoing research and development projects under progress is dependant on the resolution of the aforesaid matters as part of the CIRP.



Handwritten signature and initials.



Under the CIRP, a resolution plan needs to be presented and approved by the Committee of Creditors ("CoC") and thereafter will need to be approved by NCLT to keep the company as a going concern. On February 09, 2018, the RP has invited submission of resolution plan from prospective eligible resolution applicants in Form-G, as per Regulation 36A(B) of the CIRP Amendment Regulation. The resolution plans shall be examined as to whether they meet the mandatory requirements of the Code and the Regulations and additional requirements as stipulated by the CoC. Pending this and measures to be adopted as part of the resolution process, the above unaudited financial results have been continued to be prepared on a going concern basis.

This is a matter of qualification by the auditors.

- 3 As per the code, the RP has to receive, collate and admit all the claims submitted by the creditors of the company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. RP is in the process of collating and verifying such claims, as and when they are received, and subsequently admitting such verified claims against the company as per the code. Pending completion of the CIRP and approval of a resolution plan by the CoC, the impact of such claims that are not yet verified and admitted, if any, have not been considered in the preparation of the above unaudited financial results.
- 4 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 01, 2017, the Company has for the first time adopted Ind AS with a transition date of April 01, 2016.
- 5 The Ind AS compliant financial results, pertaining to the quarter and six months ended September 30, 2018 have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI's circular dated 5 July 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 7 The Statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016.
- 8 The company is operating in a single operating segment (i.e.) "Pharmaceuticals" and therefore there are no separate reportable segments in accordance with Ind AS 108 'Operating Segments'.

9 Statement of assets and liabilities

(Rupees in lakhs)

Assets		
Non-current assets		
Property, plant and equipment	1,31,029.45	1,37,601.22
Capital work in progress	27,790.36	27,399.66
Intangible assets	2,416.55	2,569.40
Intangible assets under development	1,431.00	1,431.00
Financial Assets		
Investment	12,487.54	12,483.61
Loans	3,080.92	2,809.45
Other non-current assets	58,503.16	60,628.68
	2,36,738.98	2,44,923.22
Current assets		
Inventories	19,492.37	19,745.37
Financial Assets		
Trade receivables	20,514.07	21,115.50
Cash and cash equivalents	30,925.19	25,604.34
Loans	25,081.84	25,311.76
	96,013.47	91,776.97
Total - Assets	3,32,752.45	3,36,700.19
Equity and Liabilities		
Equity		
Equity share capital	8,896.43	8,896.43
Other Equity	(60,173.54)	(42,514.70)
	(51,277.11)	(33,618.27)
Non current liabilities		
Financial Liabilities		
Borrowings	2,02,865.24	2,15,677.97
Provisions	189.22	206.67
Deferred tax liabilities (Net)	2,423.27	5,135.00
	2,05,487.73	2,21,019.64
Current liabilities		
Financial Liabilities		
Borrowings	64,108.23	59,952.38
Trade payables	42,573.95	41,228.73
Other current liabilities	71,015.04	47,600.21
Provisions	844.61	517.50
	1,78,541.83	1,49,298.82
Total - Equity and Liabilities	3,32,752.45	3,36,700.19



[Handwritten signatures]



10 The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

(Rupees in lakhs)		
Net Profit as per previous GAAP (Indian GAAP)	(6,851.99)	(23,476.91)
Ind AS Adjustments : Add/ (less)		
Gain on fair valuation of Investments	2.03	2.87
Impact on lease Straight Lining	-	18.00
Remeasurement of financial Instruments	(23.71)	(50.28)
Remeasurement of employee benefit expenses	(77.24)	(154.48)
Deferred tax impact on transitional adjustments	8.21	17.41
Total Ind AS Adjustments		
Total Comprehensive Income as per Ind AS		

11 The reconciliation of equity reported in accordance with Indian GAAP to equity in accordance with Ind AS is given below :

(Rupees in lakhs)	
Total equity / shareholders' funds as per Indian GAAP	(5,004.66)
Ind AS Adjustments : Add/ (less)	
Gain on Fair valuation of Investments	12.55
Remeasurement of financial Instruments	1,470.57
Remeasurement of employee benefit expenses	(706.28)
Remeasurement of tax balances as per Ind AS	(7,301.20)
Deferred Tax impact on transitional adjustments	(537.58)
Total Ind AS Adjustments	
Total Equity as per Ind AS	

12 This above reconciliation statements have been provided in accordance with circular CIRCFD/FAC/2016 issued by issued SEBI dated July 5, 2016 on account of implementation of Ind AS by listed companies.

13 Exceptional items for the Quarter ended September 30, 2016 represents write-off of hold back money and inventory related to Transfer of Penam and Penicillin Business during July 2014.



K Raghavendra Rao
 K Raghavendra Rao
 Managing Director
 DIN : 00010095

L Chandrasekar
 L. Chandrasekar
 Chief Financial Officer & Company Secretary

Taken on record

Ranjankar Sripatham Venkatasubramanian
 Ranjankar Sripatham Venkatasubramanian
 Resolution Professional
 IP Registration no. IBBVI/PA-001AP-P00015/2016-17/10039

Place: Chennai
 Date : March 16, 2018

