

Orchid Pharma Limited

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CIN : L24222TN1992PLC022994

Statement of unaudited financial results for the six months and quarter ended September 30, 2018 under Ind AS

(Rs in Lakhs)

S.No	Particulars	Quarter ended			Half year ended		Year ended 31.03.2018 (Audited)
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	
1	Income from Operations						
1	(a) Net Sales/ Income from operations	14,247.98	13,064.60	20,934.15	27,312.66	34,897.78	64,900.18
2	(b) Other Income (Net)	628.04	426.79	471.70	1,054.83	1,009.22	1,985.72
3	Total Income (1+2)	14,876.02	13,491.47	21,405.85	28,367.49	35,907.00	66,886.90
4	Expenses						
	(a) Cost of materials consumed	7,045.09	4,638.02	9,225.90	11,683.11	19,074.97	32,710.36
	(b) Purchases of Stock in Trade	9.54	12.36	8.53	21.90	50.41	119.74
	(c) Changes in inventories of finished goods and WIP	(1,085.86)	2,110.13	2,087.24	1,024.25	724.00	255.64
	(d) Employees benefits expense	1,948.95	1,941.31	1,973.32	3,890.26	4,164.97	8,239.47
	(e) Finance Cost - Refer Note no 4	-	1,354.89	7,545.10	1,354.89	14,633.62	30,164.80
	(f) Depreciation and amortisation expense	3,295.68	3,278.91	3,363.85	6,574.59	6,724.62	13,329.29
	(g) Excise Duty	-	-	-	-	403.25	483.25
	(h) Other expenses - Refer Note no 5	6,653.85	5,789.26	5,262.36	12,442.11	11,174.65	21,730.39
	Total Expenses	17,867.23	19,123.88	29,466.38	36,991.11	57,031.68	1,07,033.94
5	Profit/(Loss) before exceptional items and tax (3-4)	(2,991.21)	(5,632.41)	(8,060.53)	(8,623.62)	(21,124.68)	(40,147.04)
6	Exceptional items - Refer Note no 4	677.87	1,032.46	-	1,710.33	-	-
7	Profit/(Loss) before tax (5+6)	(2,313.34)	(4,599.95)	(8,060.53)	(6,913.29)	(21,124.68)	(40,147.04)
8	Tax expense						
	Current tax	-	-	-	-	-	-
	Deferred tax Asset/(Liability)	(0.83)	0.83	(1,026.50)	-	(2,711.73)	(4,619.44)
	Total tax expenses	(0.83)	0.83	(1,026.50)	-	(2,711.73)	(4,619.44)
9	Profit/(Loss) for the period from continuing operations (7-8)	(2,312.51)	(4,600.78)	(7,034.03)	(6,913.29)	(18,412.95)	(35,527.60)
10	Profit/(Loss) from discontinued operations	-	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-	-
12	Profit/(Loss) from discontinued operations (after tax) (10-11)	-	-	-	-	-	-
13	Profit/(Loss) for the period (9+12)	(2,312.51)	(4,600.78)	(7,034.03)	(6,913.29)	(18,412.95)	(35,527.60)
14	Other comprehensive income, net of Income tax						
	(a) (i) items that will not be reclassified to profit or loss	23.21	17.23	(37.50)	40.44	(78.77)	74.22
	(ii) income tax relating to the above items	-	-	-	-	-	-
	(b) (i) items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) income tax relating to the above items	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	23.21	17.23	(37.50)	40.44	(78.77)	74.22
15	Total comprehensive income/(loss) for the period (13+14)	(2,289.30)	(4,583.55)	(7,071.53)	(6,872.85)	(18,491.72)	(35,453.38)
16	Paid-up equity share capital	8,896.43	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	10.00
17	Earning per share (Rs) (not annualised)						
	- Basic	(2.60)	(5.17)	(7.91)	(7.77)	(20.70)	(39.93)
	- Diluted	(2.60)	(5.17)	(7.91)	(7.77)	(20.70)	(39.93)

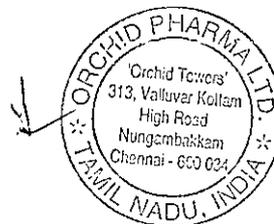
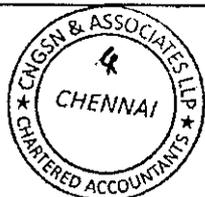
Notes:

1 The Honble 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. IBBI/PA-001/P-P00015/2016-17/110039) has been appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

The Resolution Plan filed by the RP has been approved by NCLT vide its order dated September 17, 2018. However, the successful Resolution Applicant has not completed the implementation of the approved Resolution Plan. Consequently, the NCLT vide its order dated October 10, 2018 has approved the RP to discharge the functions of the Corporate Debtor as per the instructions of the Interim Monitoring Committee (IMC) until further orders.

In view of pendency of the CIRP, the further developments stated above and in view of suspension of the powers of board of directors, it was explained to us that the powers of adoption of the unaudited financial results for the quarter ended September 30, 2018 vest with the RP as per the instructions of the IMC

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 obtaining confirmation for receivables, loans and advances given, payables, employee claims and bank loans as at September 30, 2018. 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.

Under the CIRP, the resolution plan has been presented and approved by the Committee of Creditors ('CoC') and thereafter it was approved by the Hon'ble NCLT vide its order dated September 17, 2018. Pending implementation of the Resolution Plan, the Company had reversed the interest provided after the CIRP period in the earlier years and also stopped accruing further interest in the current and previous quarters. The successful Resolution Applicant is yet to comply with the conditional orders passed thereafter by the Hon'ble NCLT. Based on the application made by the resolution applicant in the Hon'ble National Company Law Appellate Tribunal (NCLAT), the matter was posted for further hearing on February 1, 2019 by Hon'ble NCLAT with a direction to Hon'ble NCLT to not to pass any orders on the applications filed by the CoC and the RP.

Pending this and measures to be adopted as part of the resolution process, the above financial results have been continued to be prepared on a going concern basis.

This is a matter of qualification by the auditors.

- 3 The RP has received the claims from the creditors of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (as amended). The status of these claims may be found at the following link:
<http://www.orchidpharma.com/downloads-cirp.aspx>

- 4 Exceptional items for six months ended September 30, 2018 amounting to Rs. 1,710.33 Lakhs represents net of:-
a) reversal of interest accrued and provided for the financial creditors post commencement of the Corporate Insolvency Process date, reversal of exchange rate fluctuation on capital advances and advances to suppliers and cash credit interest included in Outstanding liabilities and
b) provisions considered for investments in subsidiaries and loans given to subsidiaries.

- 5 The Other expenses includes loss of INR 4,125.97 Lakhs on account of forex loss for six month ended September 30, 2018 (H1 FY 2017-18 - INR 1,174.04 Lakhs). This includes loss of INR 4,687.40 Lakhs (H1 FY 2017-18 - INR 1,417.69 Lakhs) on account of ECB loan and Gain of INR 561.43 Lakhs (H1 FY 2017-18 - INR 243.65 Lakhs) on account of operations. During the preceding previous year FY 2017-18 the reported Loss on of same was INR 1,950.46 Lakhs which includes Loss of INR 2,638.62 on account of ECB loan and Gain of INR 688.16 Lakhs on account of operations.

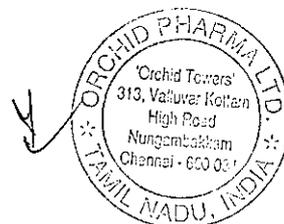
- 6 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

- 7 With the introduction of GST, no excise duty is payable by the Company from July 1, 2017. Accordingly, the income from operations are presented on a gross basis only for the six months ended September 30, 2017 and for the year ended March 31, 2018. The excise duty expenses was presented as a separate line item in the expenditure side in the aforesaid results, as required by Schedule III applicable to Ind AS Companies. Accordingly, the gross income from operations for the six months ended September 30, 2018 is not comparable with that of the previous period presented in the above results.

8 Statement of assets and liabilities

(in lakhs)

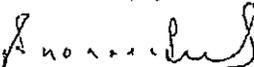
Particulars	As at	As at
	Sep 30, 2018 (Unaudited)	March 31, 2018 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	1,20,394.33	1,26,821.65
Intangible assets	2,158.51	2,306.10
Capital work in progress	25,770.46	25,721.90
Intangible Assets under Development	1,431.00	1,431.00
Financial assets		
Investments - Refer Note no 4	102.13	12,476.97
Other financial assets	1,713.65	7,197.07
Other non-current assets	80,884.00	76,042.16
Total Non-current assets	2,32,254.06	2,51,996.85
Current assets		
Inventories	17,376.27	18,494.39
Financial assets		
Trade receivables	12,845.24	14,506.50
Cash and cash equivalents	11,439.02	3,060.20
Bank balances other than above	22,558.09	27,043.95
Loans		
Other financial assets	419.39	233.42
Other current assets	6,620.73	5,741.14
Total Current assets	71,258.74	69,079.60
Total Assets	3,03,512.82	3,21,076.45

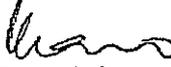


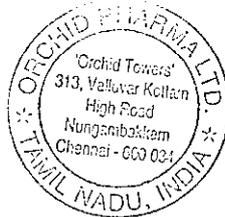
EQUITY AND LIABILITIES		
Equity		
Equity share capital	8,886.43	8,886.43
Other Equity	(87,583.10)	(76,309.69)
Total equity	(78,696.67)	(67,423.26)
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Borrowings - Refer Note no 4	1,78,175.35	1,69,390.71
Provisions	770.82	748.35
Deferred Tax Liability (Net)	322.62	322.60
Total Non-Current Liabilities	1,79,268.79	1,90,461.66
Current Liabilities		
Financial liabilities		
Borrowings - Refer Note no 4	69,612.59	69,429.48
Trade payables	28,294.76	32,635.45
Other financial liabilities	-	-
Short term provisions	111.77	102.91
Other current liabilities	1,04,911.59	95,810.41
Total Current Liabilities	2,02,930.70	1,98,020.25
Total Liabilities	3,82,199.49	3,88,481.91
Total Equity and Liabilities	3,03,512.82	3,21,076.45

9 The format for unaudited quarterly results as prescribed in SEBTs Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBTs circular dated July 5 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.

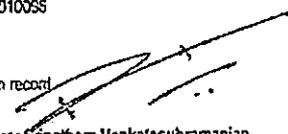
10 The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 109 "Operating Segments" and hence no segment reporting is applicable.


L. Chandrasekar
Chief Financial Officer & Company Secretary


K Raghavendra Rao
Managing Director
DIN : 00010035



Taken on record


Ramkumar Sathnam Venkatasubramanian
Resolution Professional
IP Registration no. ISBIAPA-001&P-P00015/2016-17/10039

Place: Chennai
Date : 29-01-2019

Initialled for identification purposes

