

CIN: L24222TN1992PLC022994

August 14, 2014

**The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No: C/1
G - Block, Bandra - Kurla Complex
Bandra (East), Mumbai – 400 051.**

Dear Sir/Madam,

Sub: Unaudited Financial Results for the Quarter ended 30th June, 2014

In accordance with the provisions of Clause 41 of the Listing Agreement with the stock exchanges in India, we are enclosing the following

- ❖ Copy of the Unaudited Financial Results of the Company for the quarter ended June 30, 2014 along with the press release in this respect.
- ❖ Copy of the limited review report on the aforesaid Unaudited Financial Results as issued by the Statutory Auditors of the Company.

The above Unaudited Financial Results and the limited review report have been taken on record by the Board of Directors at their meeting held on August 14, 2014.

This is for your information and records.

Thanking you,

Yours faithfully,



**L Chandrasekar
Executive V P – Finance and Secretary**



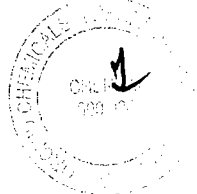
Orchid Chemicals
& Pharmaceuticals Limited

UNAUDITED FINANCIAL RESULTS FOR QUARTER / NINE MONTHS ENDED JUNE 30, 2014

Rs. lakhs

S.No	Particulars	Three months ended			Nine Months ended	18 months ended
		30-Jun-2014 (Unaudited)	31-Mar-2014 (Unaudited)	30-Jun-2013 (Unaudited)	30-Jun-2014 (Unaudited)	30-Sep-2013 (Audited)
1	Net Sales / Income from Operations (Net of Excise Duty)	27,862.54	44,845.65	24,846.12	1,09,590.16	1,84,950.03
2	Other Operating Income	647.20	426.92	832.31	1,352.20	9,684.05
3	Total Operating Income (1+2)	28,509.74	45,272.57	25,678.43	1,10,942.36	1,94,634.08
4	Expenditure					
	a) Cost of materials consumed	8,336.64	17,266.42	12,188.27	41,366.24	82,246.39
	b) Purchases of stock-in-trade	69.41	44.20	404.64	233.61	5,099.37
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,018.55	5,027.02	(628.76)	7,755.08	8,481.03
	d) Employees Cost	4,089.52	2,714.58	3,930.45	10,098.19	23,705.13
	e) Depreciation / Amortisation	5,672.74	5,717.44	4,194.80	17,130.91	24,386.87
	f) Other Expenditure	7,842.70	9,378.86	5,480.61	25,545.65	58,141.83
	g) Total	30,029.56	40,148.52	25,570.01	1,02,129.68	2,02,060.62
5	Profit / (Loss) from Operations before Other Income, Interest, Exceptional Item (3-4)	(1,519.82)	5,124.05	108.42	8,812.68	(7,426.54)
6	Other Income	-	1.16	-	1.32	1.31
7	Profit / (Loss) before Interest & Exceptional Item (5+6)	(1,519.82)	5,125.21	108.42	8,814.00	(7,425.23)
8	Finance cost	9,448.23	10,202.27	9,524.40	29,206.29	52,038.06
9	Profit/(loss) after interest but before Exceptional Item (7-8)	(10,968.05)	(5,077.06)	(9,415.98)	(20,392.29)	(59,463.29)
10	Exceptional Item - Gain/(Loss)	3,191.40	(893.75)	3,965.49	1,254.59	5,111.08
11	Profit/(Loss) before Tax (9+10) from Ordinary activities	(7,776.65)	(5,970.81)	(5,450.49)	(19,137.70)	(54,352.21)
12	Tax expenses					
	- Current Tax & Deferred Tax	(1,762.19)	2,108.34	-	346.15	(1,329.56)
13	Net Profit/(Loss) after Tax (11-12)	(6,014.46)	(8,079.15)	(5,450.49)	(19,483.85)	(53,022.65)
14	Paid-up Equity Share Capital (Face value of Rs.10/- each)	7,045.21	7,045.21	7,045.21	7,045.21	7,045.21
15	Reserves excluding Revaluation Reserves	-	-	-	-	41,771.33
16	Earnings per share (EPS) before extra-ordinary item					
	- Basic Rs.*	(8.54)	(11.47)	(7.74)	(27.66)	(75.26)
	- Diluted Rs.*	(8.54)	(11.47)	(7.74)	(27.66)	(75.26)
17	Earnings per share (EPS) after extra-ordinary item					
	- Basic Rs.*	(8.54)	(11.47)	(7.74)	(27.66)	(75.26)
	- Diluted Rs.*	(8.54)	(11.47)	(7.74)	(27.66)	(75.26)

* EPS for the period (not annualised)



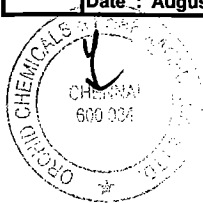


**Orchid Chemicals
& Pharmaceuticals Limited**

UNAUDITED FINANCIAL RESULTS FOR QUARTER / NINE MONTHS ENDED JUNE 30, 2014

Rs. lakhs

S. No	Particulars	As at 30-Jun-2014	As at 31-Mar-2014	As at 30-Jun-2013	As at 30-Jun-2014	As at 30-Sep-2013
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of equity shares	4,77,11,295	4,77,11,295	4,77,11,295	4,77,11,295	4,77,11,295
	- Percentage of Shareholding	67.72	67.72	67.72	67.72	67.72
2	Promoters and Promoter group shareholding					
	a. Pledged / Encumbered					
	- Number of shares	1,82,90,400	1,75,31,400	1,86,59,262	1,82,90,400	1,89,41,608
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	80.43	77.09	82.05	80	83.29
	- Percentage of shares (as a % of the total share capital of the company)	25.96	24.88	26.48	25.96	26.89
	b. Non - Encumbered					
	- Number of shares	44,50,381	52,09,381	40,81,519	44,50,381	37,99,173
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	19.57	22.91	17.95	19.57	16.71
	- Percentage of shares (as a % of the total share capital of the company)	6.32	7.40	5.79	6.32	5.39
	PARTICULARS					
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter			- NIL -		
	Received during the quarter			- NIL -		
	Disposed of during the quarter			- NIL -		
	Remaining unresolved at the end of the quarter			- NIL -		
1	The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 14, 2014 and have been subjected to limited review by the statutory auditors.					
2	The Company is operating in single segment (i.e) "Pharmaceuticals".					
3	The Company's Corporate Debt Restructuring package, approved by the CDR Empowered Group vide its Letter of Approval Dt.10/03/2014, has been implemented in July 2014. The excess interest over and above the reduced rate of interest as approved by CDR Empowered Group amounting to Rs.41.98 Crore is included in the exceptional items.					
4	On July 04, 2014 the Company has implemented the Business Transfer Agreement (BTA) dated August 29, 2012 with Hospira Healthcare India Private Limited for the sale and transfer of Orchid's Penicillin and Penem API business and the API facility located in Aurangabad (Maharashtra) together with an associated Process R&D infrastructure located in Chennai. The entries relating to the sale will be given effect in the quarter in which the agreement has been implemented.					
5	Employee cost for the quarter includes provision for one time payment of Rs.12 Crore.					
6	Exceptional items for three months ended June 30, 2014 represents amortisation of exchange loss on restatement of Foreign currency loans amounting to Rs.826.31 Lakhs. reversal of excess interest charged during April 2013 - June 2014 amounting to Rs.4197.70 Lakhs and expenses relating to CDR Rs.180 Lakhs..					
7	The Company had exercised the option provided under the Companies (Accounting Standards) Amendment Rules, 2006 dated March 31, 2009. The Ministry of Corporate affairs vide notification dated 29/12/2011 has extended the amortisation of gains or losses arising on reporting of foreign currency monetary items over the balance period of such long term asset/liability. Accordingly exchange loss on long term foreign currency loans have been amortised over the balance period of such loans. The amount remaining to be amortised in the financial statements as at June 30, 2014 on account of exercising the above option is Rs.11,276.73 Lakhs.					
8	The auditors have observed matters relating to recovery of certain advances paid to suppliers, non-provision of diminution in value of investments in a foreign R&D subsidiary and reconciliation of all bank accounts by the Company after CDR completion. The Corporate Debt Restructuring scheme already approved has been implemented in July 2014. Due to financial constraints, the Company was not able to take delivery of materials/capital goods and the company is confident that with the CDR implementation, the company would be able to take delivery of these materials in due course. As far as the diminution in value of investments is concerned, the Company is confident that the value of molecules held by the foreign subsidiary will be more than the investment. With the implementation of the CDR scheme in July 2014, the interest liability as confirmed by the Financial advisor for the CDR implementation has been accounted for. However final confirmation from Banks are awaited and the management is confident that there will be no impact on the financials on account of the matters referred to in the audit report.					
9	Provision for Taxation for the current quarter has been determined after considering the effect of Business Transfer completed in July 2014.					
10	Previous period figures have been regrouped wherever necessary.					
Place : Chennai						
Date : August 14, 2014						
		 K. Raghavendra Rao Managing Director				



BSE: 524372 NSE: ORCHIDCHEM Bloomberg: OCP@IN Reuters: ORCD.BO

Q3 FY14 Earnings

Chennai, India – Aug 14, 2014

Orchid Pharma registers turnover of Rs 285 crore in Q3 FY14, EBITDA of Rs 42 crore

Financial highlights for Quarter ended June 30, 2014 (Q3 FY14) – Standalone

- Revenue of Rs 285.1 crore (US\$ 47.4 million) in the quarter ended June 30, 2014 (Q3 FY14) as compared to Rs 256.8 crore (US\$ 42.7 million) registered during the quarter ended June 30, 2013 (Q3 FY13), representing an increase of 11% YoY.
- EBITDA of Rs 41.5 crore (US\$ 6.9 million) in the quarter ended June 30, 2014 versus Rs 43.0 crore (US\$ 7.1 million) in the quarter ended June 30, 2013.
- At the net level, the company registered a loss of Rs 60.1 crore (US\$ 10.0 million) during the quarter ended June 30, 2014 as compared to a loss of Rs 54.50 crore (US\$ 9.1 million) registered during the corresponding quarter ended June 30, 2013.

*** 1 US\$ = Rs 60.18**

From the Managing Director

“With the implementation of the approved Corporate Debt Restructuring (CDR) Package and availability of working capital consequent to completion of the Business Transfer to Hospira in July 2014, the Company is on track to regain its position in the market” said Mr K Raghavendra Rao, Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

About Orchid Pharma

Orchid Chemicals & Pharmaceuticals Ltd. is a leading pharmaceutical company headquartered in Chennai, India involved in the development; manufacture and marketing of diverse bulk actives, formulations and nutraceuticals. With exports spanning more than 75 countries, Orchid is the largest manufacturer-exporter of cephalosporin bulk actives in India and is ranked amongst the Top 5-cephalosporin producers in the world. Orchid's world-class manufacturing infrastructure including USFDA and UK MHRA approved API and dosage form facilities located at Chennai. Orchid has dedicated state-of-the-art GLP compliant R&D centres for API research, drug discovery and pharmaceutical research at Chennai. Orchid has ISO 14001 and OHSAS 18001 certifications. Orchid is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Additional information is available at the company's website at www.orchidpharma.com

‘Orchid Towers’, #313, Valluvar Kottam High Road, Nungambakkam, Chennai 600 034 INDIA

Orchid Pharma Q3 FY14 earnings

**For ORCHID CHEMICALS &
PHARMACEUTICALS LTD.**

14/08/14


Executive Vice President - Finance & Secretary

SNB ASSOCIATES

CHARTERED ACCOUNTANTS

12, 3rd Floor, Gemini Parsn Complex. 121 Mount Road, Chennai - 600 006.

AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED**

**ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2014**

We have reviewed the accompanying statement of unaudited financial results of **ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED** ("the Company") for the quarter ended 30th June 2014 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures, made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

- I. The Company has given advances amounting to Rs. 596.27 Crores to various parties and are outstanding as on June 30, 2014. The Company has not received major materials/ capital goods from the time these specific advances were given. As per information and explanation given, the Company is not able to take delivery of materials due to financial constraints. We are not able to express any opinion on the recoverability of these amounts.**
- II. The Company has investments of Rs. 94.82 Crores and loans of Rs. 34.25 Crores in a wholly owned subsidiary Bexel Pharmaceuticals Inc. The subsidiary has not been spending any money on the research on the molecule during the current period as no financial support is given**



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by the parent Company and the parent Company has not allocated any funds for the future development. In view of the above, it is necessary to impair the value of this investment as no information is available with the Company regarding the value that can be recovered from the sale of rights over the molecule possessed by the Subsidiary.

- III. **The Company debt restructuring process has been approved. The Company as at 30th June 2014 has not received final confirmation of balances from banks/ institution relating to the loan and interest payable to them. The entries have been passed based on the information provided by financial advisor for Corporate Debt Restructuring and accordingly credit of interest amounting to Rs. 41.97 Crores as been taken during the quarter. The above amount is subject to effect of final reconciliation and confirmation of all the banks**
- IV. **The Business Transfer Agreement dated August 29, 2012 entered into by Company has been implemented and completed on 4th July 2014. The account of the buyer is being reconciled and entries on accounts of such reconciliation will be accounted for in the next quarter.**

Based on our review conducted as above, subject to the previous paragraphs(I to IV) above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is disclosed, or that it contains any material misstatements .

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N



T.K Shanmugam
Partner
M.No: 016195



Date: August 14, 2014
Place: Chennai