

CIN: L24222TN1992PLC022994

May 12, 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 31st March, 2014

In accordance with the Clause 41 of the listing agreement, we are enclosing the following

- ❖ Copy of the Unaudited Financial Results of the Company for the quarter ended March 31, 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 May 12, 2014.

This is for your information and records.

Thanking you,

Yours faithfully,



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

Encl.: a/a



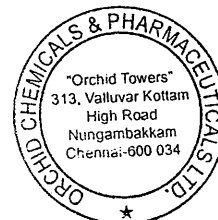
Orchid Chemicals
& Pharmaceuticals Limited

UNAUDITED FINANCIAL RESULTS FOR QUARTER / SIX MONTHS ENDED MARCH 31, 2014

Rs. lakhs

S. No.	Particulars	Three months ended			Six Months ended	18 months ended
		31-Mar-2014 (Unaudited)	31-Dec-2013 (Unaudited)	31-Mar-2013 (Unaudited)	31-Mar-2014 (Unaudited)	30-Sep-2013 (Audited)
1	Net Sales / Income from Operations (Net of Excise Duty)	44,845.65	36,881.97	26,815.67	81,727.62	184,950.03
2	Other Operating Income	426.92	278.08	-	705.00	9,684.05
3	Total Operating Income (1+2)	45,272.57	37,160.05	26,815.67	82,432.62	194,634.08
4	Expenditure					
	a) Cost of materials consumed	17,266.42	15,763.18	12,694.76	33,029.60	82,246.39
	b) Purchases of stock-in-trade	44.20	120.00	644.38	164.20	5,099.37
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,027.02	(1,290.49)	204.75	3,736.53	8,481.03
	d) Employees Cost	2,714.58	3,294.09	3,728.41	6,008.67	23,705.13
	e) Depreciation / Amortisation	5,717.44	5,740.73	3,863.41	11,458.17	24,386.87
	f) Other Expenditure	9,378.86	8,324.09	8,145.87	17,702.95	58,141.83
	g) Total	40,148.52	31,951.60	29,281.58	72,100.12	202,060.62
5	Profit / (Loss) from Operations before Other Income, Interest, Exceptional Item (3-4)	5,124.05	5,208.45	(2,465.91)	10,332.50	(7,426.54)
6	Other Income	1.16	0.16	-	1.32	1.31
7	Profit / (Loss) before Interest & Exceptional Item (5+6)	5,125.21	5,208.61	(2,465.91)	10,333.82	(7,425.23)
8	Finance cost	10,202.27	9,555.79	8,576.43	19,758.06	52,038.06
9	Profit/(loss) after interest but before Exceptional Item (7-8)	(5,077.06)	(4,347.18)	(11,042.34)	(9,424.24)	(59,463.29)
10	Exceptional Item - Gain/(Loss)	(893.75)	(1,043.06)	(639.64)	(1,936.81)	5,111.08
11	Profit/(Loss) before Tax (9+10) from Ordinary activities	(5,970.81)	(5,390.24)	(11,681.98)	(11,361.05)	(54,352.21)
12	Tax expenses					
	- Current Tax & Deferred Tax	2,108.34	-	1,544.86	2,108.34	(1,329.56)
13	Net Profit/(Loss) after Tax (11-12)	(8,079.15)	(5,390.24)	(13,226.84)	(13,469.39)	(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.*	(11.47)	(7.65)	(18.77)	(19.12)	(75.26)
	- Diluted Rs.*	(11.47)	(7.65)	(18.77)	(19.12)	(75.26)
17	Earnings per share (EPS) after extra-ordinary item					
	- Basic Rs.*	(11.47)	(7.65)	(18.77)	(19.12)	(75.26)
	- Diluted Rs.*	(11.47)	(7.65)	(18.77)	(19.12)	(75.26)

* EPS for the period (not annualised)



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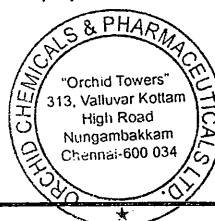


**Orchid Chemicals
& Pharmaceuticals Limited**

UNAUDITED FINANCIAL RESULTS FOR QUARTER / SIX MONTHS ENDED MARCH 31, 2014

Rs. lakhs

A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of equity shares	47,711,295	47,711,295	47,711,295	47,711,295	47,711,295
	- 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	17,531,400	17,276,400	17,616,262	17,531,400	18,941,608
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	77.09	75.97	77.47	77	83.29
	- Percentage of shares (as a % of the total share capital of the company)	24.88	24.52	25.00	24.88	26.89
	b. Non - Encumbered					
	- Number of shares	5,209,381	5,464,381	5,124,519	5,209,381	3,799,173
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	22.91	24.03	22.53	22.91	16.71
	- Percentage of shares (as a % of the total share capital of the company)	7.40	7.76	7.28	7.40	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 May 12, 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 application for Debt Restructuring has been approved by the CDR Empowered Group vide its Letter of Approval Dt.10/03/2014 and the implementation of the Restructuring Package is in progress. The implementation is expected to be completed in June 2014. The reduced rate of interest as approved by CDR Empowered Group has not been considered for the period pending completion of the implementation.					
4	The Company has entered into a 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 Business Transfer is likely to get completed with the implementation of Debt Restructuring Scheme in June 2014.					
5	Exceptional items for three months ended March 31, 2014 represents amortisation of exchange loss on restatement of Foreign currency loans.					
6	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 March 31, 2014 on account of exercising the above option is Rs.12,593.91 Lakhs.					
7	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 non-provision of penal interest on loans taken by the Company. The Corporate Debt Restructuring scheme and the final approval for the scheme has already been approved and under implementation. 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 approval, 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 approval for the CDR scheme in place, the interest liability will come down and hence there will be no need for any provision for penal interest. The Management confirms that there will be no impact on the financials on account of the matters referred to in the audit report.					
8	Provision for Taxation for the current quarter has been made as the Company could not complete the proposed Business Transfer Agreement before 31/03/2014 as envisaged and hence the tax credit taken in the previous quarters had to be reversed.					
9	Previous period figures have been regrouped wherever necessary.					
Place : Chennai						
Date : May 12, 2014						



K. Raghavendra Rao

**K. Raghavendra Rao
Managing Director**



Orchid Chemicals
& Pharmaceuticals Limited

STATEMENT OF ASSETS AND LIABILITIES

Rs. lakhs

	Particulars	Standalone	
		Un-audited	
		As at 31-Mar-14	As at 30-Sep-13
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share Capital	7,045.21	7,045.21
	(b) Reserves and Surplus	33,364.88	41,771.33
	Sub-total- Shareholders' funds	40,410.09	48,816.54
2	Non-current liabilities		
	(a) Long-term borrowings	77,663.42	90,178.12
	(b) Deferred tax liabilities (net)	17,897.12	15,788.78
	(c) Long-term provisions	522.97	523.98
	Sub-total- Non-current liabilities	96,083.51	106,490.88
3	Current liabilities		
	(a) Short-term borrowings	162,933.95	152,489.48
	(b) Trade payables	42,875.28	56,166.86
	(c) Other current liabilities	116,659.65	105,240.29
	(d) Short-term provisions	3,132.97	3,117.18
	Sub-total-Current liabilities	325,601.85	317,013.81
	TOTAL-EQUITY AND LIABILITIES	462,095.45	472,321.23
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	273,994.78	284,322.66
	(b) Non-current investments	12,417.60	12,417.62
	(c) Long-term loans and advances	54,050.76	51,101.69
	(d) Other non-current assets	9,315.53	9,310.44
	Sub-total- Non-current assets	349,778.67	357,152.41
	Current assets		
	(a) Inventories	47,005.85	50,008.01
	(b) Trade receivables	12,887.42	18,369.69
	(c) Cash and cash equivalents	2,393.32	2,239.52
	(d) Short-term loans and advances	50,030.19	44,551.60
	Sub-total-current assets	112,316.78	115,168.82
	TOTAL ASSETS	462,095.45	472,321.23



For and on behalf of the Board

K. Raghavendra Rao
Managing Director

Place : Chennai
Date : May 12, 2014

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

Q2/H1 FY14 Earnings

Chennai, India – May 12, 2014

Orchid Pharma registers turnover of Rs 452 crore in Q2 FY14, an increase of 67% YoY, EBITDA of Rs 108 Crore and EBIT of Rs 51 Crore

Financial highlights for Quarter ended March 31, 2014 (Q2 FY14)

- Revenue of Rs 452.72 crore (US\$ 74.8 million) in the quarter ended March 31, 2014 (Q2 FY14) as against Rs 268.16 crore (US\$ 44.3 million) in the quarter ended March 31, 2013 (Q3 FY13) registering an increase of 67% YOY.
- EBITDA of Rs 108.43 crore (US\$ 17.9 million) in the quarter ended March 31, 2014 versus Rs 13.98 crore (US\$ 2.3 million) in the quarter ended March 31, 2013.
- Loss before Tax of Rs 59.70 crore (US\$ 9.9 million) in the quarter ended March 31, 2014 compared to a loss before tax of Rs 116.82 crore (US\$ 19.3 million) during the quarter ended March 31, 2013.
- At the net level, the company registered a loss of Rs 80.79 crore (US\$ 13.4 million) in the quarter ended March 31, 2014 compared to a loss of Rs 132.27 crore (US\$ 21.9 million) during the quarter ended March 31, 2013.

*** 1 US\$ = Rs 60.49**

Other Highlights

- During the current quarter, the Corporate Debt Restructuring Empowered Group (CDR EG) approved the debt restructuring package for the Company vide its Letter of Approval dated March 10, 2014.
- Consequent to the approval of the restructuring package, CARE has upgraded the credit rating of the Company to CARE "C" (Single C) for the Long Term Bank facilities.
- The Board has designated Shri K.N.Venkatasubramanian (*non-executive, independent Director*) as the Chairman of the Company. Shri K.N.Venkatasubramanian holds various positions at the Board level in several Companies and has also served as the Chairman of Indian Oil Corporation Ltd. (IOC) from where he retired. Consequent to Shri K.N.Venkatasubramanian's appointment as Chairman, Shri K. Raghavendra Rao has been re-designated as the Managing Director of the Company.

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

From the Managing Director

“With the approval for the Corporate Debt Restructuring Package (CDR) in place, the Company is on a better platform to complete the Penicillin and Carbapenem Business Transfer to Hospira and achieve improved performance in the ensuing quarters with availability of working capital through implementation of CDR. We are also happy about the appointment of Shri K.N.Venkatasubramanian’s appointment as the Chairman of the company. I am sure the company will benefit from his wide experience and knowledge,” 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 are located at Chennai and Aurangabad. 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 9001:2000, ISO 14001 and OHSAS 18001 certifications. Orchid is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and the Madras Stock Exchange (MSE) in India.

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

**For ORCHID CHEMICALS &
PHARMACEUTICALS LTD.**



Executive Vice President - Finance & Secretary

SNB ASSOCIATES

CHARTERED ACCOUNTANTS

12, 3rd Floor, Gemini Parsn Complex, 121, Mount Road, Chennai - 600 006. Phone : 28224382

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED

ON LIMITED-REVIEW OF UNAUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED MARCH 31, 2014

We have reviewed the accompanying statement of unaudited financial results of **ORCHID CHEMICALS AND PHARMACEUTICALS LIMITED** ("the Company") for the period ended 31st March 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. 545.69 Crores to various parties and are outstanding as on March 31, 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 by the parent Company and the parent Company has not allocated any**



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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 has gone for Debt Restructuring process and in view of the same, the Company has not received confirmation of balance relating to Loans and other funded and non-funded dues from various banks as on March 31, 2014. Books have been closed on the basis of the information provided by various banks to the Corporate Debt Restructuring Empowered Group. Moreover, interest has been accounted for to the extent debited by the banks/ information provided by the banks. No provisions have been made in respect of dues to banks where such debit/ information have not been made/ provided by the banks. The amount of such interest not provided could not be quantified. Moreover, reconciliation of bank accounts have not been fully completed and the results are subject to effects of such reconciliation.**

Based on our review conducted as above, subject to the previous paragraphs(I to III) 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



Date: May 12, 2014
Place: Chennai


T.K. Shanmugam
Partner
Membership No. 016195