(Formerly known as Orchid Chemicals & Pharmaceuticals Limited)
Corp. Off.: **Orchid Pharma Ltd.**, 'Orchid Towers' 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034. India.
CIN: L24222TN1992PLC022994

(Under Corporate Insolvency Resolution Process)

June 29,2019

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

SCRIP CODE: ORCHIDPHAR ISIN: INE191A01019
Subject: Orchid Pharma Limited – Approval of Resolution Plan by NCLT, Chennai

Dear Sir /Madam

Pursuant to the ongoing corporate insolvency resolution process of the Company, Hon'ble National Company Law Tribunal, Chennai Bench by its order dated June 27, 2019 (received by the Company on June 28, 2019) has approved the resolution plan submitted by Dhanuka Laboratories Limited under Section 31 of the Insolvency and Bankruptcy Code, 2016.

This is for your information and for intimation to the members.

Thanking you

Yours faithfully

For ORCHID PHARMA LIMITED

Chandrasekar L
Exec. VP – Finance & Co. Secretary

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI

MA/579/2019
In
CP/540/IB/2017

Under Section 31(1) of the IBC, 2016

In the matter of M/s. Orchid Pharma Limited

Mr. S.V Ramkumar, RP
For M/s. Orchid Pharma Limited

...Applicant

In the matter of
Lakshmi Vilas Bank Limited

---Operational Creditor

Vs

Orchid Pharma Limited

---Corporate Debtor

Order delivered on: 27.06.2019

Coram:

B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)
S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For the Applicant/RP	: *Shri. Sathish Parasaran, Sr. Advocate* *Shri. Vipin Warrier, Advocate* *For Mr. S.V Ramkumar, RP*
For Unsuccessful Bidder	: *Shri. P.H Arvindh Pandian, Sr. Advocate* *For Mr. Avinash Krishnan Ravi*
For State Bank of India	: *Shri. Chevanan Mohan, Advocate* *Ms. Ponnappa Bharathi, Advocate* *For King & Partridge*

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and dictated in the Open Court on: 25.06.2019

It is an application filed u/s 31(1) of the Insolvency & Bankruptcy Code, 2016 ("**the Code**") by the **Resolution Professional (RP)** for approval of the Resolution Plan on the ground that the CoC approved the Resolution Plan with 67.07% in the e-voting taken place from 9.00 A.M. on 7th June, 2019 to 4.00 P.M. on 11th June, 2019.

2. Before looking into the Resolution passed by the CoC approving the Resolution Plan, it is a little important to look back into the checkered history wherein the CoC earlier approved a Resolution Plan given by a Company called Ingen, when that plan was not taken off for that Resolution Applicant did not infuse any funds into the Corporate Debtor as contemplated under the Resolution Plan, this Bench on 28.02.2019 annulled that Resolution Plan and extended time for inviting fresh Resolution Plans. In pursuance thereof, since the CoC has approved another in the second round of exercise, now this Bench

is examining the plan approved by the CoC in the second round of exercise.

3. The Corporate Debtor is not a company that has no assets and not doing any business. The concern of this Bench is more in respect to 1407 employees eking their livelihood by working in this Company. If a solution is not foundto this rigmarole, the immediate effect will come upon the employees working in this Company. The other reasons for considering this second round of exercise is, if this company comes out of Insolvency Proceedings, it will generate revenues not only to the stakeholders but also to the Government as well. Moreover when CoC has in its wisdom taken a decision in respect to restructuring of the debt, this Bench is limited to look into compliance as stated under 31 of the Code.

4. This Resolution Professional has placed material before this Bench saying in e-voting, this plan was approved with 67.07% but subsequent to this e-voting, one of the Financial Creditors (Punjab National Bank International Limited), before declaring the result of e-

voting, sent ane-mail changing itsdecision given in the e-voting *"from assenting to dissenting"*.

5. However, since the Financial Creditor has not placed any grievances before this Bench except sending an e-mail, we are of the view that simply sending e-mail against its voting approving the Resolution Plan need not be taken into consideration against the approval given by this Financial Creditor at the time of e-voting.

6. It is a fact that this Resolution Plan value i.e. ₹570crores is lesser than the liquidation value i.e. ₹1309crores. Normally Resolution Plan value will always remain more than liquidation value. Since it is alarming to approve a plan with value less than liquidation value, when it is put to the RP as to why such plan has been approved with a value of ₹570crores which is lesser than the liquidation value, he has explained that in addition to ₹570crores the applicant agreed to pay to the creditors, the Corporate Debtor has cash and bank balance of ₹321.98crores and the Corporate Debtor has an amount of ◎184.06crores reversed to it by State Bank of India pursuant to the order passed by

this Bench and the Resolution Applicant has proposed to infuse ₹40crores as equity into the Company. All these heads together having become ₹1116.04crores almost equivalent to the liquidation value of the Company, he says it cannot be considered as Resolution Plan value is considerably less than the liquidation value of ₹1309crores.

7. On hearing the RP, it appears that the total value of the Resolution Plan is close to the liquidation value i.e., and since there is no other plan more feasible and viable than this plan and there being no mandate under this quote saying that the Resolution Plan value shall always be more than the liquidation value of the Corporate Debtor, in order to let this company remain as going concern and to close out this long drawn process, we hereby approve this Resolution Plan as this Plan is approved by the CoC and it is in compliance of Section 30 (2) of the Code.

8. As to Income Tax exemptions and exemptions from taking approvals from various Government Authorities, this Bench has no jurisdiction to grant any such approvals save and except in accordance

with law, therefore this prayer is hereby rejected leaving it open to the Resolution Applicant to proceed in accordance with law.

9. In respect to the proposal for buying the land of Lakshmi Vilas Bank by the Resolution Applicant, this Bench has no jurisdiction to approve such proposal which is involved with respect to the property rights of the parties, therefore this prayer is hereby rejected leaving it open to the parties to proceed in accordance with law.

10. Accordingly, this MA/579/2019 is hereby **disposed of** approving the Resolution Plan save and except those rejections aforementioned.

(S. VIJAYARAGHAVAN)
MEMBER (Technical)

(B. S.V. PRAKASH KUMAR)
MEMBER (Judicial)

VS/TJS