Orchid Chemicals & Pharmaceuticals Ltd.

Corp. Off. 'Orchid Towers' 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034. India. Tel : (91) - 44- 2821 1000 Fax : (91) - 44 - 2821 1002

July 4, 2014

CIN: L24222TN1992PLC022994

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,

In accordance with the requirements of the listing agreement, we wish to inform you that Orchid has today completed the implementation of the approved CDR Package together with the consummation of the Business Transfer Agreement (BTA) entered into with Hospira Healthcare India Private Limited (Hospira).

A copy of the press release issued by the Company is enclosed for your reference and records.

Thanking you,

Yours faithfully,

Mathanagopalan S
General Manager - Finance

Encl.: a/a

E-mail : corporate@orchidpharma.com Website : www.orchidpharma.com

Orchid Chemicals & Pharmaceuticals Ltd.

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

Media release **Chennai, India – July 04, 2014**

Orchid Pharma completes implementation of the CDR package
Company consummates the Business Transfer Agreement with Hospira

Chennai based, Orchid Chemicals & Pharmaceuticals (Orchid) today announced that it had completed the implementation of the approved CDR Package together with the consummation of the Business Transfer Agreement (BTA) entered into with Hospira.

The Company, which has been having high levels of debt since it successfully redeemed its outstanding FCCBs in February 2012, approached the CDR Empowered Group for restructuring its debt profile in June 2013. The approval for the CDR Package was received in March 2014. The company also entered into a Business Transfer Agreement (BTA) with Hospira for the sale and transfer of its Penicillin and Penem API business and the API facility located in Aurangabad (Maharashtra) together with the R&D Centre located in Chennai. This business transfer was added as a part of the restructuring process into the CDR package. Through the CDR process and the Business Transfer, the company will be able to retire a portion of its overdues and by utilizing the balance portion of funds for its working capital needs, restructure the balance debt over a period of 10 years.

Of the total inflow of Rs 1207 crore (Rs 1134 crore from sale proceeds and Rs 73 crore from promoter contribution), the company will retire Rs 681 crore to the banks and after payment of tax of Rs 47 crore the balance of Rs 479 crore will be utilized for working capital and growth needs.

From the Managing Director

"The consummation of the BTA with Hospira and the implementation of the approved CDR Package has facilitated the scaling down of the debt levels, restructuring of the balance debt and has also ensured working capital availability for the company that will help resurrect operations. With our inherent strength in the Cephalosporins segment supported by the strong NPNC (Non-penicillin, Non-cephalosporin) product pipeline and our quality credentials, we are confident that our rebuilding process will be fast and robust," said Mr K Raghavendra Rao, Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

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 9001:2000, 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

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Safe Harbour

This release may include forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects" and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in the markets we operate in;
- The ability to successfully implement our strategies, our research and development efforts, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.