Orchid Chemicals & Pharmaceuticals Ltd.

Annual Report 2015

18 months ended March

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Management discussion and analysis

Economic overview

Global: Global growth in 2014 was a modest 3.4% against 3% in 2013, primarily due to a pickup in growth in advanced economies. Developing countries, which were the engine of global growth following the financial crisis, faced a difficult economic environment. As a result, growth in emerging and developing economies slowed as well. Despite the slowdown, emerging market and developing economies accounted for three-fourths of global growth in 2014.

Headline inflation has declined in advanced economies, reflecting the decline in oil prices, lesser prices for other commodities and a weakening of demand in a number of countries already experiencing below-target inflation, such as the euro area and Japan.

With regard to the emerging markets, lower prices for oil and other commodities contributed to reductions in inflation through 2014, with the notable exception of countries suffering sizable exchange rate depreciations, such as Russia.

Overall, global growth is projected to reach 3.5% in 2015 and 3.8% in 2016.

India: The full-year GDP growth for the fiscal year ending March 2015 settled at 7.3%, up from 6.9% in 2013-14, a tad lower than an official estimate of 7.4% (figures calculated as per the new series of national accounts with base year of 2011-12). This growth was due to the improvement in the performance of both services and manufacturing sectors. The Gross Value Added (GVA), a new concept introduced by Central Statistical Office (CSO) to measure economic activity, rose by 7.2% in 2014-15 compared to 6.6% in the previous fiscal. The economy remained relatively unshackled of factors generally associated with an economic slowdown.

Average Wholesale Price Index (WPI) inflation declined in 2014-15 to 3.4% (April-December) vis-à-vis 8.9% in 2013-14, owing to a sharp decline in fuel prices. Food price inflation moderated to 4.8% during April-December 2014 as compared to 9.4% in 2013-14. Average retail inflation, measured by Consumer Price Index (CPI), moderated to 6.3% in 2014-15 (April-December) from 9.5% in 2013-14. The country's Current Account Deficit (CAD) narrowed sharply to 1.3% of GDP in 2014-15 primarily on account of a lower trade gap.

One of the heartening features has been the emergence of India as a large economy with a promising outlook, amidst the mood of pessimism and uncertainties that continue to persist in a number of advanced and emerging economies.

The Reserve Bank of India has projected India's GDP growth for 2015-16 at 7.6%. The International Monetary Fund has forecast India's growth to strengthen from 7.2% in 2014 to 7.5% in both 2015 and 2016.

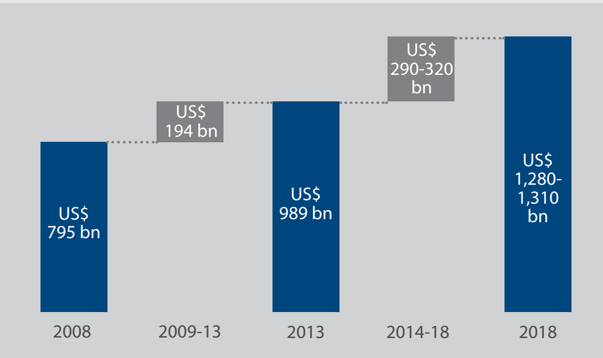
The pharmaceutical space

Global: Overview, Trends and Prospects

Global spending on medicines is forecast to reach nearly $1.3 trillion by 2018, an increase of about 30% over the 2013 level. This level of growth—a compound annual growth rate of 4-7% on a constant currency basis—will be slightly higher than the 5.2% recorded over the past five years, as the introduction of new specialty medicines and increased accessibility for patients coincides with lower impacts from patent expiries in developed markets.

Most countries could experience increased pharmaceutical spending per capita by 2018. Higher spending is expected on specialty medicines over the next five years, particularly in developed markets - about 40% of total global growth will come from these medicines.

Among the major markets, the United States remains the largest, representing over one-third of the global total, and is expected to grow at a compound annual growth rate of 5-8% through 2018.



Source: IMS Markets Prognosis, September, 2014

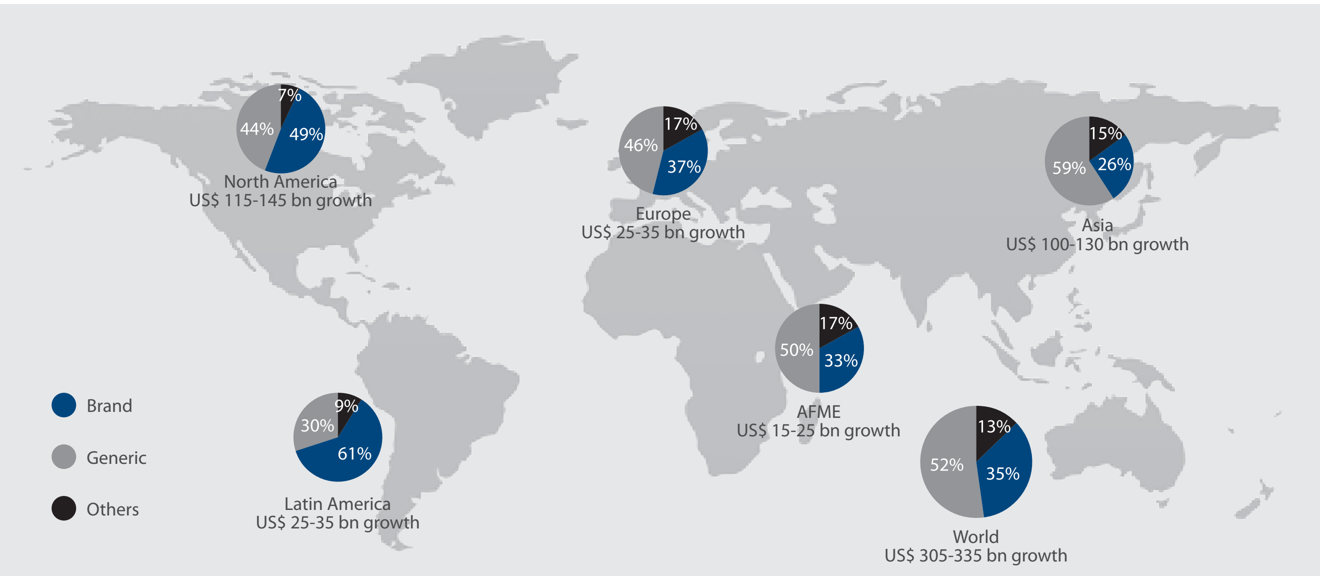
Growth will be driven by population growth, an aging population, and improved access in pharmerging markets.

Strengthening of the global economy, fewer patent expiries in developed markets, new medicines and growth in pharmerging markets will contribute to a CAGR of 4-7% through 2018.

The global population aged 65 and over will grow faster than any other age segment, and will account for almost 30% of overall population growth in the next five years.

Of developed markets, the U.S. will see the largest per capita spending increase from 2013 to 2018.

Global spending on medicines is expected to shift towards generics as developed economies are increasingly implementing strategies for optimising healthcare expenditure. Generic medicines account for over 50% of the global prescriptions – in the US generic usage in volume terms is estimated at 86%.



Source: IMS Markets Prognosis, September, 2014

India: overview, trends and prospects

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a pharmaceuticals sector analysis report by equity master. The market is dominated majorly by branded generics which constitute nearly 70-80% of the market.

The domestic formulations market, valued at approximately ₹88,000 crore has grown steadily at a CAGR of 10% over the past five years. The strong growth has been driven by a confluence of factors, including – a) rising household income levels leading to higher expenditure on healthcare, b) increasing prevalence of lifestyle related diseases, c) improving healthcare infrastructure/delivery systems and d) rising penetration in smaller towns and rural areas. As a result, majority of the growth in Indian market has been driven by expansion in volumes and new product introductions as against price increases.

Going ahead, the prospects for the domestic pharmaceutical sector appear promising.

- The Indian pharmaceutical sector is expected to clock total sales of US$ 27 billion by 2016, according to a recent report by Deloitte titled '2014 Global Life Sciences Outlook' from sales which stood at US$ 22.6 billion in 2012 and about US$ 23.6 billion in 2013.
- The Indian pharmaceutical industry is on a good growth path and is likely to be in the top 10 global markets in terms of value by 2020, according to the PwC – CII report titled "India Pharma Inc: Gearing up for the next level of growth".

The Company

Orchid Chemicals & Pharmaceuticals Ltd. is a leading pharmaceutical company headquartered in Chennai, India and involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals with exports spanning across more than 40 countries. Orchid's world-class manufacturing infrastructure includes US FDA compliant API and dosage form facilities at Chennai in India.

Orchid has a dedicated, state-of-art and GLP compliant R&D infrastructure for API research, drug discovery and pharmaceutical research at Chennai, India.

Orchid has ISO 9001:2000, ISO 14001 and OHSAS 18001 certifications.

Orchid is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.

Business highlights

- Received approval from the US FDA for the Abbreviated New Drug Application (ANDA) for Rivastigmine Capsules in 1.5 mg, 3 mg, 4.5 mg, 6 mg and Felodipine Extended - Release Tablets in 2.5 mg, 5 mg, 10 mg and Eszopiclone Tablets ANDA
- Received approval from the US FDA for the Abbreviated New Drug Application (ANDA) for Gemifloxacin Mesylate Tablets (320 mg) with 180 days of generic drug exclusivity

The drugs and pharmaceuticals sector attracted cumulative foreign direct investment inflows worth US$ 12,813.02 million between April 2000 and December 2014, according to the data released by the Department of Industrial Policy and Promotion (DIPP).

Corporate Debt Restructuring Scheme (CDR)

The Corporate Debt Restructuring Empowered Group (CDREG) has approved the CDR package for the Company in March 2014. The approved CDR Package inter-alia provided for the restructuring of debts outstanding as at the cut-off date on the following lines:

a) The cut-off date for restructuring fixed at 31/03/2013.

b) Reschedulement of repayment of all Term Loans over a period of 32 quarters commencing from the Quarter ending on June 30, 2015.

c) Reduction of interest rates on all rupee borrowings (including Working Capital facilities) to 11% p.a.

d) Carving out of the irregular portion of working capital facilities as Working Capital Term Loan repayable in 32 Quarterly instalments commencing from Quarter ending June 30, 2015.

e) Funding of interest on all Term Loans for two years (i.e.) from April 2013 to March 2015

f) Funding of interest on Working Capital Facilities for one year (i.e.) from April 2013 to March 2014.

g) Funded Interest Term Loan to be repaid through 32 Quarterly instalments commencing from Quarter ending June 30, 2015.

The approved CDR Package also provided for the transfer of Penem and Penicillin API manufacturing facility at Aurangabad and the R&D facility at Shozhanganllur, Chennai to Hospira Healthcare (India) Private Ltd. for a total consideration of US$217.50 million.

The Business Transfer was completed in July 2014 and the proceeds of the Business Transfer were utilised for (i) Repayment of part of Borrowings and (ii) for Provision of Working Capital for the Company as approved in the CDR Package. The package also provided for the infusion of Promoter's Contribution which was brought in by the Promoters in July 2014 and deposited in the Trust & Retention Account maintained at SBI for implementation of the approved CDR Package. Against the infusion of Promoter's Contribution, 1,48,09,801 equity shares of ₹10 each have been allotted to the Promoters @ ₹49.79/- per equity share on preferential basis based on the approval from the Shareholders and Stock Exchanges.

The implementation of CDR has facilitated availability of working capital for operations and enabled the company to stabilize operations with the support of lenders. The Management is confident of gearing up the performance in the years to come.

Financial overview

Profitability

- During the 18 months period ending on March 31, 2015, the Company has earned a cash profit of about ₹84 Crore as against a cash loss of about ₹300 Crore during the corresponding previous period.
- The EBITDA for the 18 months period ending on March 31, 2015 stood at ₹362.23 Crore (21% of the Operating revenues) as against ₹169.62 Crore (9% of the Operating revenues) during the corresponding previous period.
- With extraordinary income of ₹270.62 crore (net of deferred tax impact of ₹145.26 crore), net loss for the 18 months period ending on March 31, 2015 came down to ₹191.04 crore (after tax) as compared to a net loss of ₹530.22 crore (after tax) for the corresponding previous period.
- EPS for the 18 months period ending on March 31, 2015 stood at a negative ₹26.11 as compared to a negative ₹75.26 for the corresponding previous period.

Components of Revenue & Expenditure

- For the 18 month period ended March 2015, the Company's net revenue declined by 8.6% to ₹1,779 crore from ₹1,946 crore during the corresponding previous period. The Company had revenues from Alathur, Irunkattukottai and Aurangabad facilities until July 03, 2014 and from Alathur and Irunkattukottai facilities for the rest of the period during the 18 months period ended on March 2015, as the Aurangabad API facility was transferred to Hospira Healthcare on July 04, 2014. The Operating revenues from Alathur and Irunkattukottai during the 18 months period ending March 2015 was ₹1047 crore as against ₹1007 Crore during the corresponding previous period.
- Material cost for the 18 month period ended March 2015 was ₹781.33 Crore (45% of the Operating revenues) as compared to ₹958.27 Crore (50% of the Operating revenue) during the corresponding previous period.
- The other operating cost, including employee cost for the 18 month period ended March 2015 was ₹635 crore as against ₹818 Crore during the corresponding previous period. The reduction was on account of Business Transfer completed in July 2014.
- The effective interest cost for the 18 month period ended March 2015 was ₹495.03 crore (Net of interest reversal of ₹41.98 crore included in exceptional items) as compared to ₹520.38 crore during the corresponding previous period.
- The Depreciation & Amortisation for the 18 months ending March 2015 was ₹321.37 crore including amortisation of Intangible assets under development.
- Exceptional items for the 18 months period ending on March 31, 2015 amounted to ₹157.26 crore as against a net gain of ₹51.11 crore during the corresponding previous period, which included Profit on sale of land and investments amounting to ₹107.27 crore.

Balance Sheet

- The Equity and Reserves as at March 31, 2015 stood at ₹439.40 Crore as compared to ₹488.17 Crore as at September 30, 2013. During the 18 months ending March 2015, the Promoters have brought in a sum of ₹73.80 Crore as Promoters' Contribution for implementation of CDR Package.
- The total borrowings as at March 31, 2015 stood at ₹3,165 Crore as compared to ₹3,414 Crore as at September 30, 2013.

Human resources and industrial relations

In line with Orchid's HR policy of providing safe, rewarding and professional environment for the employees, Orchid's HR function is continuously monitoring the environment to align with the Company's overall vision and road-map. In spite of the financial crisis faced by the Company, the Company was able to retain the talents through various HR initiatives taken.

During the period under review, Orchid maintained a cordial industrial relationship environment at all manufacturing units of the Company.

As at March 31, 2015, Orchid had approximately 1800 permanent employees including corporate, managerial, sales and manufacturing staff, who continue to strive for successfully meeting various stakeholders' expectations as well as creating wealth for the investors.

Risks and their management

Orchid has an active risk management and mitigation strategy, taking a fairly wholesome view of the internal and external environment to address challenges, to large extent possible. Key elements of the program are summarized below:

Foreign exchange risk

A significant part of the Orchid's revenue, costs, assets and liabilities are denominated in foreign currencies. Unhedged trade and financial exposure thus creates potential to adversely impact its operations and overall profitability. Risks are recognized at the contractual juncture and are attempted to be hedged progressively under natural hedge process at various stages of operations depending upon the nature of the transactions and in accordance with the hedging policy and strategy of the company. During the year, risk management practices continued to focus on minimising the economic impact on company's profitability arising from fluctuations in exchange rates.

Interest rate risk

Though at the beginning of the year, we were exposed to differential interest rates, risks associated with interest rate fluctuation have been substantially mitigated with implementation of the CDR Package wherein the interest rate on all restructured Rupee loans/ facilities has been fixed at 11% p.a.

Credit risk

With the active support of CDR lenders, the implementation of the CDR package, with deferral of interest service and rescheduled principal repayments, Orchid has significantly mitigated the risks associated with debt service obligations. This support has strengthened the cash flows of the Company for improving the performance and reducing risk associated with credit repayments during moratorium period.

Internal audit and control

The Company has in place adequate systems of internal control commensurate with its size and nature of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. Based on the Management and the Audit committee review, suitable steps are being taken periodically to strengthen the adequacy of the internal control systems in various functions.

The Company has external teams carrying out various types of audit to strengthen the internal audit and risk management functions. The Company's effective control system is supported with Enterprise Resources Planning (ERP) operating on the enhanced version - SAP ERP ECC6 EHP5 - for its main business processes.

Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Directors' Report

Dear Members,

Your Company has extended its Financial Year 2013-14 i.e October 01, 2013 to September 30, 2014 by a period of six months i.e., up to March 31, 2015 and accordingly has prepared its Financial Statements for a period of 18 months i.e. from October 01, 2013 to March 31, 2015 i.e. financial year 2013-2015. Your Directors take pleasure in presenting the report on business and operations of your Company for the Financial Year 2013-15 along with the audited statement of accounts for the same period ended March 31, 2015.

The Ministry of Corporate Affairs has, vide General Circular 08/2014 No. 1/19/2013-CL-V dt. 4th April 2014, clarified that the financial statements (and documents required to be attached thereto), auditors report and board's report in respect of financial years that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. In veiw of the same, the aforementioned statements have been prepared in line with the applicable provisions of the Companies Act, 1956.

Performance

The highlights of the financial results for the year 2013 – 2015 are given below:

(₹ crores)

Particulars	18 months ended 31.03.15	18 months ended 30.09.13
Sales & Operating Income	1,736.19	1,906.58
Other Income	42.37	39.77
Total Expenditure	1,416.33	1,776.74
Gross profit	362.23	169.61
Interest & Finance Charges	537.00	520.38
Gross Profit after Interest but before Depreciation and Taxation	(174.77)	(350.77)
Depreciation	321.37	243.86
Profit / (Loss) before Tax, exceptional and extraordinary items	(496.14)	(594.63)
Exceptional Item	157.26	51.11
Profit / (Loss) Before Tax and Extraordinary item	(653.41)	(543.52)
Extraordinary items	(270.62)	-
Profit Before Tax	(382.79)	(543.52)
Provision for Taxation		
- Current & Deferred Tax	(191.75)	(13.29)
Profit / (Loss) after Tax	(191.04)	(530.23)

During the financial year 2013-15, your Company achieved a turnover and operating income of ₹1,736.19 crores (₹1,906.58 crores in 2012-13). The gross profit before interest, depreciation and taxes stood at ₹362.23 crores (₹169.61 crores in 2012-13). After providing for interest expense of ₹537.00 crores (₹520.38 crores previous fiscal), depreciation of ₹321.37 crores (₹243.86 crores previous fiscal), Exceptional item ₹157.26 crores (₹51.11 crores previous fiscal) and Extraordinary item ₹270.62 crores (Nil in previous fiscal], the Loss before tax of the Company was ₹382.79 crores (₹543.52 crores (Loss) previous fiscal). The net loss after tax stood at ₹191.04 crores (₹530.23 crores (Loss) in the previous fiscal).

Business Overview

Your Company had made a reference to the Corporate Debt Restructuring (CDR) Cell constituted by Reserve Bank of India for Restructuring of its financial debt. The CDR Cell considered, admitted and approved the debt restructuring proposal given by the Company. The letter of approval was given on March 10, 2014. The Business Transfer Agreement (BTA) with Hospira for the transfer of Aurangabad Penems and Penicillin Plant and R&D facility at Shozhanganallur was completed on July 4, 2014. For the purpose of implementation of the approved package and also to comply with the post-implementation the CDR Lenders appointed State Bank of India as the Monitoring Institution (MI). To facilitate implementation of the approved package and terms, monitoring the performance of the Company as per the restructured package on a continuous basis, a Monitoring Committee (MC), comprising representatives of five member Banks has been constituted. These initiatives enabled your Company to come out of working capital constraints and resulted in improved performance.

Your Company is in the process of launching new products in NPNC segment in the next financial year for the US, EU and other Markets on expiry of patent cover, which will have a positive impact on the Company's revenue and profitability streams.

Future Prospects

With the restructuring of its debt and implementation of the revival package approved by the CDR Cell, your Company believes that it will gradually be able to revive its operations towards profitability. Your Company has been extremely fortunate to have the full support of its Lenders, Employees, Vendors and Customers during the financial stressed period and all efforts are being made to garner continuously full support to revive the operations of the Company. Although, huge efforts are required towards regaining the confidence of various Stakeholders, your Company is hopeful and confident of accomplishing the same over a period of time.

Regulatory Filings and Approvals

In the generic formulations domain, Orchid's cumulative Abbreviated New Drug Application (ANDA) filings for the US market stood at 46. This includes 8 Para IV FTF (First-To-File) filings. The break-up of the total ANDA filings is 13 in Cephalosporins segment and 33 in NPNC space.

In the European Union (EU) region, the cumulative count of Marketing Authorisation (MA) filings stood at 31. The breakup of the total MA filings is 15 in the Cephalosporin segment and 16 in the NPNC segment.

In the API (Active Pharmaceutical Ingredients) domain, Orchid's cumulative filings of US DMF stand at 76. The break-up of the total filings is 28 in the Cephalosporin Segment, 48 in NPNC segment. In the European market space the cumulative filings of COS (Certificate of Suitability) count remained at 20 which includes 14 in cephalosporin segment, 6 in NPNC segment.

Dividend

Due to losses incurred by the Company during the financial year 2013-15, your Directors express their inability to recommend any dividend to the equity shareholders.

Intellectual Property Rights

During the year, Orchid continued to accelerate the IPR work on a number of products. The total number of patent applications filed by Orchid in various national and international patent offices so far was 889 (including Process, Formulation, NCE, NDDS, Biotech and Generics). As of March 31, 2015, 108 patent applications have been published while 97 patents have been granted cumulatively.

Issue of Equity Shares

To Comply with the requirements of Corporate Debt Restructuring Programme, your Company pursuant to the approval granted by the members through Postal ballot on August 26, 2014, had got in-principle approval from NSE, BSE & MSE to allot 1,85,12,251 (One Crores Eighty Five Lakhs Twelve Thousand Two Hundred Fifty One Only) equity shares of ₹10/- each at a premium of ₹39.79 per share to the Promoter Group Company M/s Orchid Healthcare Private Ltd. Out of the above, your Company allotted 1,48,09,801 shares during December 2014. The remaining 37,02,450 shares would be allotted during 2015-16.

Delisting of Company's Equity Shares from the Madras Stock Exchange Limited

In terms of the Exit Order issued by Securities Exchange Board of India (SEBI) through its circular No. WTM/RKA /MRD/47/2015 dated May 14, 2015 to Madras Stock Exchange Limited (MSE), all the Company's listed in the MSE stands delisted from the date of the above said Exit Order.

Consequent to the above your Company's shares stand delisted from MSE. Presently your Company's shares are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Employees Stock Option Plan

The details of options granted to employees under the ORCHID ESOP 2010, ORCHID ESOP – DIRECTORS 2011, Orchid ESOP – Senior Management 2011 schemes and the status of such options as on March 31, 2015 are given in Annexure IV to this Report.

Your Company formulated the following schemes:-

- Orchid - ESOP 2010 Scheme - grant of 10,00,000 options to the employees of the Company including whole-time Director(s) of the Company but excluding the Promoter Directors. The said scheme was approved by the shareholders at the Annual General Meeting held on July 21, 2010. Your Company granted 9,01,000 options during the year 2010-11. Pursuant to exercise of options by the employees, 10,000 equity shares of ₹10/- each were issued during the year 2012-13 and as at March 31, 2015, the outstanding options yet to be exercised under the said scheme is Nil.

- Orchid ESOP – Directors 2011 Scheme – grant of 5,00,000 options to the directors of the Company including whole-time directors but excluding promoter director. Your Company granted 3,00,000 options during the year 2011-12 and as at March 31, 2015, the outstanding options in force under the said scheme is 80,000.

- Orchid ESOP – Senior Management 2011 Scheme - grant of 10,00,000 options to the employees in the grade of Senior Manager and above out of which 7,50,000 options are ear marked to the employees of Orchid and 2,50,000 options to the employees of various subsidiary companies of Orchid, either in India or abroad. Your Company granted 42,700 options during the year 2011-12 and as at March 31, 2015, the outstanding options in force under the said scheme are 32,025.

Associate

Allecra Therapeutics GmbH, Germany

With a view to enter into drug discovery in the areas of obesity, CNS and other therapeutic areas in response to potential MNC interest, Orchid decided to invest in Allecra Therapeutics GmbH (Allecra) and presently holds 18.27% stake in the Company. Allecra is a drug development company based in Germany focused on clinically differentiated products and shall develop unique products for novel treatments to combat multi drug resistant bacterial infections.

Subsidiaries

Bexel Pharmaceuticals Inc., USA (Bexel)

Bexel was incorporated basically to conduct Research & Development activities in new drug discovery segment. The current Bexel IP portfolio is being maintained by OCPL global IP unit.

Orchid Pharmaceuticals Inc., USA

Orchid Pharmaceuticals, Inc. is a wholly owned Delaware based subsidiary of your Company and also the holding company in the United States, under which all the operational business subsidiaries have been structured. The Company currently has two operating Subsidiaries, namely Orgenus Pharma Inc., and Orchid Pharma Inc., in the US.

Orgenus Pharma Inc. is the entity that provides all business development and operational services for the parent Company including the initiation of marketing alliances with partner companies, filing of your Company's Drug Master Files (DMFs) and Abbreviated New Drug Applications (ANDAs) as the Importer of record for your Company with the FDA. It continues to represent your Company for all matters relating to the review and approval of such filings by the FDA, and handling of logistics and product importation into the US as the Importer of Record for the US Customs.

Orchid Pharma Inc., is the commercial entity that started directly marketing and selling your Company's products in the US generics market place. Orchid Pharma Inc. has established a strong corporate image for your Company in the US and will be launching all future (unpartnered) generics products under the Orchid label.

Diakron Pharmaceuticals Inc., USA

Orchid's stake in Diakron has been a part of the original transaction which includes direct investment and Master Services Agreement (MSA). Your Company has completed most of its MSA obligations to develop and supply clinical quantities of API and extended release formulation.

Orchid Europe Limited, United Kingdom

Your Company's subsidiary in Europe namely Orchid Europe Limited (OEL) is a wholly owned subsidiary which provides liaising support to the parent Company and its customers in Regulatory, Pharma covigilance, Testing & Release, Retention of samples, Service Providers and Business Development in Europe.

Orchid Pharmaceuticals (South Africa) Pty Ltd., South Africa

Your Company's wholly owned subsidiary, Orchid Pharmaceuticals (South Africa) Pty Ltd., was incorporated mainly to register and market your Company's products in South Africa. The Company is in the process of submitting dossiers for obtaining marketing approval from the regulatory authority, MCC for various oral products and the applications are at various stages of the registration process.

Orchid Pharma Singapore Private Ltd, Singapore

Your Company incorporated Orchid Pharma Singapore Private Limited a wholly owned subsidiary in Singapore to deal in pharmaceuticals products. During the year 2013-15, your Company closed this subsidiary due to non-commencement of business.

Central Government Approval

The Ministry of Corporate Affairs, Government of India vide its circular dated February 8, 2011 has provided general exemption to companies