



The page features a light blue background with a large, faint, low-poly geometric shape in the bottom left corner. In the top right, there is a network diagram consisting of several interconnected nodes, each represented by a small, faceted, light blue polyhedron. These nodes are connected by thin, light gray lines, forming a branching structure that extends towards the top right corner. The overall aesthetic is modern and technical.

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 our other statements-written and oral- that we periodically make contain forward looking statements that set out anticipated results based on the management plans and the 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 decision 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, where as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Shri K N Venkatasubramanian
Chairman & Independent Director
Resigned w.e.f 13.10.2017

Shri K Raghavendra Rao
Managing Director

Shri R Kannan
Resigned w.e.f 27.12.2017

Independent Director

Shri Ramakrishna Eda
IDBI Bank Ltd has withdrawn his Nomination w.e.f 18.09.2018

Nominee of IDBI Bank Ltd

Smt Soundara Kumar
Resigned w.e.f 10.09.2018

Nominee of State Bank of India

Resolution Professional

Shri Ramkumar S V
(IP Registration No.IBBI/IPA-001/IP-P00015/2016-17/10039)

Management Team

Ms Edna Braganza	Chief Operating Officer
Shri S Mani	President – API, CSR & SH &E
Shri L Chandrasekar	Executive VP - Finance & Company Secretary
Dr U P Senthil Kumar	Senior Vice President – Process Research
Dr J Surya Kumar	Senior Vice President - Pharma Research & Manufacturing
Shri A Suresh Babu	Head - Corporate Affairs

Auditors

Statutory Auditors

CNGSN & Associates LLP
Chartered Accountants
Flat No.6, Vignesh Apartments, North
Avenue ,Srinagar Colony,
Chennai - 600 015.
Tamil Nadu, India

Secretarial Auditors

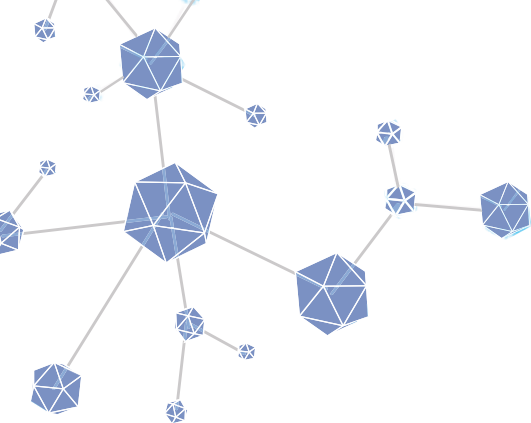
S Dhanapal & Associates
Practicing Company Secretaries
Suite No. 103, First Floor, Kaveri Complex,
No. 96/104, Nungambakkam High Road
Nungambakkam, Chennai – 600 034.
Tamil Nadu, India

Cost Auditors

Shri V Kalyanaraman
Cost Accountant
No.4 (Old No.12), Second Street,
North Gopalapuram, Chennai - 600 086.
Tamil Nadu, India

Banks / Financial Institutions

Allahabad Bank	City Union Bank	IFCI Ltd	State Bank of India
Andhra Bank	Deutsche Bank	Indian Bank	Union Bank of India
AXIS Bank	Edelweiss Asset Reconstruction	Indian Overseas Bank	
AfrAsia Bank	Company Limited	Kotak Mahindra Bank	
Bank of Baroda	Exim Bank	Punjab National Bank	
Bank of India	ICICI Bank		
Canara Bank	IDBI Bank		



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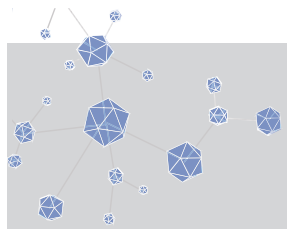
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Board's Report

Dear Members,

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of Orchid Pharma Limited ("Company") was initiated by an Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP was admitted by the National Company Law Tribunal ("NCLT") vide CP. No. CP/ 540/ (IB)/ CB/ 2017 on August 17, 2017 ("Insolvency Commencement Date"). Mr. CMA CS Rajasekaran R was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration No. IBBI /IPA-001 /IP-P00015 /2016-17 /10039) was confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC") and NCLT with effect from October 27, 2017. On appointment of the IRP /RP, the powers of the Board were suspended and the same vests with the RP.

RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Upto the CIRP extended last date i.e. the 270th day – May 14, 2018, there were no successful resolution applicants and accordingly RP filed the status with the Hon'ble NCLT for necessary directions. Subsequently, as directed by Hon'ble NCLT, Chennai, Resolution Professional (RP) placed the Resolution Plan from prospective resolution applicant namely - Ingen Capital Group LLC, USA - before Committee of Creditors (CoC) for voting on June 04, 2018 and re-voting on August 04, 2018 in view of the Ordinance (IBC) passed on 6th June 2018. In the re-voting which concluded on 4th August 2018, the resolution plan had received an affirmative vote of 78% of the CoC by value in its favour. RP filed the re-voting results with Hon'ble NCLT and as on the date of this Report, the status is "Order Reserved".

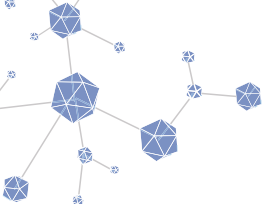
Pending this, and measures to be adopted as part of the resolution process, the audited financial results have been continued to be prepared on a going concern basis

With this backdrop, RP and the Board take pleasure in presenting the report on business and operations of your Company along with the audited statement of accounts (Standalone and Consolidated) for the financial year ended March 31, 2018.

Financial summary /Performance /State of Company's affairs

Transition to IND AS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For your company Ind AS is applicable from April 1, 2017, with a transition date of April 1, 2016.



The highlights of the standalone financial results for the year 2017-2018 as per the IND AS are given below:-

(Rs.in Crores)

Particulars	IND-AS	
	Year ended 31.03.2018	Year ended 31.03.2017
Sales & Operating Income	649.00	766.29
Other Income	19.87	27.32
Total Expenditure	635.40	768.54
Gross profit	33.47	25.06
Interest & Finance Charges	301.65	336.27
Gross Profit after Interest but before Depreciation and Taxation	(268.18)	(311.20)
Depreciation	133.29	139.42
Profit / (Loss) before Tax, extraordinary items	(401.47)	(450.62)
Extraordinary items - Income (Expenditure)	-	(86.26)
Profit / (Loss) Before Tax	(401.47)	(536.88)
Current & Deferred Tax	(46.19)	(48.34)
Profit /(Loss) after Tax	(355.28)	(488.54)
Other Comprehensive Income (OCI)	0.74	(1.58)
Net Profit / (Loss) for the period including OCI	(354.53)	(490.11)

During the financial year 2017-18, your Company achieved a turnover and operating income of Rs. 649 crores (Rs.766.29 crores in 2016-17). The gross profit before interest, depreciation and taxes stood at Rs. 33.47crores (Rs. 25.06 crores in 2016-17). After providing for interest expense of Rs. 301.65 crores (Rs.336.27crores in 2016-17), depreciation of Rs.133.29 crores (Rs. 139.42 crores in 2016-17), Extraordinary item of Nil (Rs. 86.26Crores in 2016-17), the Loss before tax of the Company was Rs. 401.47 crores (Rs. 536.88 crores (Loss) in 2016-17). The net loss after tax including Other Comprehensive Income stood at Rs.354.53crores (Rs. 490.11 crores (Loss) in 2016-17).

Business Overview

During the financial year, i.e. in August 2017, due to non-payment of the dues of an operational creditor, your Company was admitted in the insolvency resolution process as per the IBC by NCLT, Chennai Bench.

During the financial year 2017-18, your Company continued to reel under financial stress and the performance of the Company was affected due to liquidity constraints, mounting interest burdens, which had an impact on the net profits of the Company. As a result, the ability of the Company to meet its repayment obligations /liabilities were adversely affected. Despite the tough liquidity and working capital constraints, your Company managed to sustain sales with a lower EBIDTA denoting the basic strength of the business.

During the year, your Company had received ANDA approval from the USFDA for Aripiprazole tablets USP, 2mg, 5mg, 10mg, 15mg,

20mg and 30 mg Aripiprazole Orally-Disintegrating Tablets USP, 10 mg and 15 mg.

Future Prospects

It is now four years since the restructuring of the debt and one year since the CIRP, approval of the resolution plan for revival of the Business as recommended with an affirmative vote of 78% by the Committee of Creditors and given to the NCLT is still in progress. The resolution plan submitted by RP, came up for Hearings in NCLT and as it stands “the Order is Reserved”.

Your Company has been extremely fortunate to have the full support of its Lenders, Employees, Vendors and Customers during the financially stressed period. Although, huge efforts are required towards regaining the confidence of various Stakeholders, your Company is hopeful and confident of accomplishing the same during the course of time. Your Board believes that the Company will be able to revive its operations towards profitability post receipt of the approval from NCLT and the implementation of the Resolution Plan.

Management Discussion and Analysis report

A report on the Management discussion and analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a separate annexure in the annual report.

Corporate Governance Report and Additional Shareholder's information

A report on the corporate governance systems and practices of your company along with a certificate of compliance from the Practising Company Secretary is given in Annexure V which forms part of this report

Audit committee

The details of the Composition of the Audit committee are available in the Corporate Governance report. The Board has accepted the recommendations made by the Audit committee during the financial year 2017-2018.

Pursuant to the resignation of Shri K N Venkatasubramanian, Chairman & Independent Director and Shri R Kannan, Independent Director, the reconstitution of the Board as well as the Audit committee is pending.

Adequacy of Internal Financial Control System

The internal financial control over financial reporting system are existing and operative, however based on the observations of

the auditors, the Company is further strengthening the internal financial control systems over financial reporting

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.

During the year, the Company had received ANDA approval from the USFDA for Aripiprazole tablets USP, 2mg, 5mg, 10mg, 15mg, 20mg and 30 mg and for Aripiprazole Orally-Disintegrating Tablets USP, 10 mg and 15 mg

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 European market space the cumulative filings of COS (Certificate of Suitability) count remained at 19 which includes 14 in cephalosporin segment, 5 in NPNC segment. In Japan market, the cumulative filings of JDMFs count remained at 7 only in Cephalosporin segment.

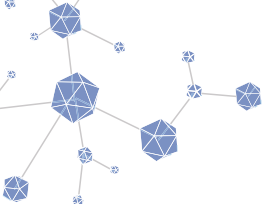
Intellectual Property Rights

During the year, Orchid continued to take forward 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 219 including Process, Formulation, New Chemical Entities (NCE), Novel Drug Delivery System (NDDS), Biotech and Generics. As of March 31, 2018, 27 patent applications have been published while 178 patents have been granted cumulatively.

The number of patent applications filed by Orchid from April 01, 2017 to March 31, 2018 is 23 (Including Process, Formulation, NCE, NDDS, Biotech and Generics), and out of this 9 patents have been granted.

Dividend & Reserves

In view of the net loss incurred during the financial year ended March 31, 2018, the Resolution Professional does not recommend any dividend to the shareholders of the Company. Also, no amount has been transferred to reserves.



Awards and Achievements

During the year, your Company's Generics Manufacturing Unit, Irungattukottai (IKKT) was chosen for the Export Excellence Award (II Position) by the Ministry of Commerce & Industry, Government of India for performance during 2015 – 2016 and Exim Achievement Award (II Position) by the Tamil Chamber of Commerce in Association with Chozha Nachiar Foundation, Government of Tamil Nadu for performance during the financial year 2014-15.

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 obtained in principle approval from NSE Ltd. & BSE Ltd. to allot 1,85,12,251 (One Crore Eighty Five Lakhs Twelve Thousand Two Hundred Fifty One Only) equity shares of Rs.10/- each at a premium of Rs.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 as part of first tranche during December 2014. The Company allotted the remaining 3,702,450 (Thirty Seven Lakh Two Thousand Four Hundred and Fifty Only) equity shares of RS.10/- each at a premium of Rs.39.79 per share during October 2015. During the financial year 2017-2018, your Company had received the final trading approval for 37,02,450 shares from NSE Ltd and BSE Ltd.

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, 2018 are given in Annexure IV to this Report.

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 global IP unit of your Company.

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 Origenus Pharma Inc., and Orchid Pharma Inc., in the US. Origenus 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. 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 direct 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.

Highlights of the performance of subsidiaries and their contribution to the overall performance of the Company during the period under report

One of the Subsidiary Companies contributed 6% of the sales of the Company. The Company accesses the US market through this subsidiary and expects strong growth in the US market in the years to come. The R&D subsidiaries of the Company are used for carrying out Research & Development of selected molecules, having good potential. Your Company has a subsidiary for holding Product registrations and approvals in Europe.

Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial statements presented by the Company include the financial statements of its subsidiaries. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed form AOC-1 is given in Annexure –VIII, forming part of this report.

Key & Senior Managerial Personnel

Shri. K Raghavendra Rao (DIN: 00010096), Managing Director and Shri. L Chandrasekar, CFO & Company Secretary are the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013. Ms. Edna Braganza, Chief Operating Officer and Shri Mani Sivaswami, President - API, CSR&SH&E are part of the Senior Management Team.

Extract of Annual Return

As per the amendments carried out by the Companies (Amendment) Act, 2017 in section 92(3), every company shall place a copy of the Annual Return on the website of the Company, if any, and the web-link of such Annual return shall be disclosed in the Board's report. A copy of Annual return of the company is available on the website of the company www.orchidpharma.com

Board & RP Meetings held during the year

During the year, 2 (two) meetings of the Board were held prior to commencement of the CIRP. The Board Meetings were held in accordance with provisions of the Companies Act, 2013 and the relevant rules made there under. After the commencement of the CIRP on August 17, 2017, Board Meetings have not taken place as the Powers of the Board remained suspended and entrusted to the Resolution Professional appointed by NCLT. During CIRP, RP had convened meetings with the Senior Management, KMP and with the Board members.

The details of the RP meetings, dates of Board & Committee meetings alongwith the CoC Meetings held during the FY 2017-18 are furnished in the Corporate Governance Report forming part of this report.

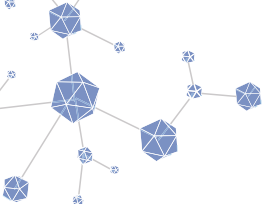
Board's Responsibility Statement

Members may kindly note that during the CIRP Process (i.e. after August 17, 2017 and continuing till the date of this Report), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the Board of Directors had the oversight on the management of the

affairs of the Company. The Resolution Professional along with the Managing Director is submitting this report. The RP is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the commencement of CIRP.

Accordingly, pursuant to Section 134(5) of the Act, the Board & RP (based on the knowledge /information gained by him about the affairs of the Company in a limited period of time and based on understanding of the then existing processes of the Company) and to the best of their /his knowledge state:

- a) that in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- b) that RP has continued with such accounting policies as were adopted on CIRP date, made judgments and estimates that are reasonable and prudent so as to give a reasonably true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the profit or loss of the Company for that period,
- c) that the annual accounts for the financial year ended March 31, 2018 have been prepared on a going concern basis as explained herein above in the preamble,
- d) that proper systems which have been devised to ensure compliance with the provisions of applicable laws are adequate and operating and
- e) that Internal financial controls which were laid down and followed by the company on the date of CIRP, along with the necessary steps and changes in the Management Structure that have been taken to improve the internal financial controls during CIRP are operating effectively.
- f) that proper and sufficient care has been taken care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.



Nomination & Remuneration policy

This Policy lays down standards with respect to the appointment, remuneration and evaluation of Senior Management Personnel, Directors and Key Managerial Personnel of the Company. The Policy is available on the website of the Company and the web link for the same is http://www.orchidpharma.com/downloads/NOMINATION_AND_REMUNERATION_POLICY.pdf.

Appointment and Remuneration of Non- Executive Directors

The Criteria for determining independence of a director are based on the academic accomplishments, qualifications, expertise and experience in their respective fields, diversity of the Board, global exposure, professional network, technical expertise, functional domain expertise, independence and innovation. The Independent Directors of your Company have given declarations to the Company under Section 149 (7) of the Act that, they meet the criteria of independence as provided in Sub Section 6 of Section 149 of the Act and also under the Listing Regulations, 2015.

Non-Executive Directors are entitled to receive sitting fees for attending the meetings of the Board or Committee thereof, as approved by the Board and within the overall limits prescribed under the Companies Act, 2013 and rules thereunder.

Related Party Transaction Policy

Your Company has framed a Related Party Transaction Policy in compliance with Section 177 of the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, in order to ensure proper reporting and approval of transactions with related parties. The Policy is available on the website of the Company and the web link for the same is <http://www.orchidpharma.com/downloads/RELATED-PARTY-TRANSACTION-POLICY.pdf>

All the transactions entered with the related parties were in ordinary course of business and are on arm's length basis. The particulars of contracts or arrangements with the related parties under Section 188(1) are disclosed in Form AOC-2 which is given in Annexure – IX, forming part of this report.

Prior omnibus approval of the Audit Committee is has been obtained for the transactions which are foreseeable and of repetitive nature.

Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013 the Company had constituted the Corporate Social Responsibility Committee to recommend: (a) the policy on

Corporate Social Responsibility and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The details of the composition of the Corporate Social Responsibility committee are disclosed in the Corporate Governance report.

The Board has approved the CSR policy and the same is available on the website of the Company and the web link for the same is <http://www.orchidpharma.com/downloads/CSR-POLICY.pdf>.

Since the Company did not have any profits for the last three financial years, the Company is not mandatorily required to contribute towards Corporate Social Responsibility activities. However, your Company has undertaken the CSR activities voluntarily on Education, Health, Youth development, Women Empowerment, Community assets creation (Infrastructure Development), Tribal development, Environment & Renewable energy programmes during the financial year 2017-18 through "Orchid Trust" and spent Rs. 11 Lakhs towards CSR activities.

Material changes and commitment, if any, affecting financial position of the Company from the end of Financial Year and till the date of this Report

Subject to the ongoing CIRP process as per the IBC 2016, there are no material changes and commitment affecting financial position of the Company from the end of Financial Year and till the date of this Report.

Conservation of Energy

Your Company has always been striving in the field of energy conservation. Certain measures to conserve energy and to reduce associated costs were taken in a small way during the fiscal under review. The particulars in respect to conservation of energy as required under Section 134 (3) (m) of the Companies Act, 2013, are given in Annexure I to this report.

Technology Absorption

The particulars in respect of R&D/Technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013, are given in Annexure II to this report.

Foreign Exchange Earnings and Outgo

The particulars in respect of Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 are given in Annexure III to this report.