

May 26, 2017

**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/Madam,

**Sub: Outcome of Board Meeting**  
**Ref: Security Symbol - ORCHIDPHAR**

In accordance with the Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, we would like to inform that the Board of Directors at their meeting held on May 26, 2017 have approved the Standalone & Consolidated Audited Financial Results for the year ended 31<sup>st</sup> March 2017.

A copy of the Audited Financial Results of the Company and Auditors Report along with Statement on Impact of Audit qualifications on the standalone and consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 is enclosed for your reference and records.

Thanking you,

Yours faithfully,

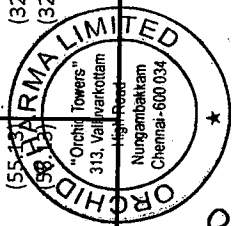


L Chandrasekar  
Executive VP – Finance & Secretary

Encl.: a/a

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

Sl. No.	Particulars	Three months ended			Stand alone for the year ended		Consolidated for the year ended	
		31/03/2017 (Unaudited)	31/12/2016 (Unaudited)	31/03/2016 (Unaudited)	31/03/2017 (Audited)	31/03/2016 (Audited)	31/03/2017 (Audited)	31/03/2016 (Audited)
1	<b>Income from Operations</b>							
	a) Sales / Income from Operations	20,070.46	17,727.26	20,466.78	74,602.00	87,666.17	78,716.90	87,004.70
	b) Other Operating Income	417.94	271.02	477.14	2,026.76	1,322.39	2,026.76	1,393.92
	<b>Total Income from Operations (net)</b>	<b>20,488.40</b>	<b>17,998.28</b>	<b>20,943.92</b>	<b>76,628.76</b>	<b>88,988.56</b>	<b>80,743.66</b>	<b>88,398.62</b>
2	<b>Expenses</b>							
	a) Cost of Materials consumed	9,254.94	9,498.12	7,133.25	33,954.60	36,701.01	34,082.37	37,051.89
	b) Purchases of Stock-in-Trade	35.13	182.92	20.68	2,601.75	3,701.23	2,601.75	3,701.23
	c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	345.04	(2,207.38)	1,820.81	190.04	1,528.82	2,661.58	(656.66)
	d) Employee benefits expense	1,755.47	1,957.54	1,683.87	7,550.65	8,263.08	8,031.44	8,680.93
	e) Depreciation and Amortisation expense	3,492.36	3,524.06	3,504.98	13,941.89	14,341.22	14,101.58	14,526.65
	f) Other Expenses	8,533.41	5,041.36	5,477.72	22,655.26	19,844.52	24,216.04	22,542.48
	<b>Total Expenses</b>	<b>23,416.35</b>	<b>17,996.62</b>	<b>19,641.31</b>	<b>80,894.19</b>	<b>84,379.88</b>	<b>85,694.76</b>	<b>85,846.52</b>
3	<b>Profit / (Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)</b>	<b>(2,927.95)</b>	<b>1.66</b>	<b>1,302.61</b>	<b>(4,265.43)</b>	<b>4,608.68</b>	<b>(4,951.10)</b>	<b>2,552.10</b>
4	Other Income	856.49	623.19	915.76	1,479.68	516.69	1,479.97	2,490.58
5	<b>Profit / (Loss) from Ordinary activities before Finance cost and Exceptional Items (3+4)</b>	<b>(2,071.46)</b>	<b>624.85</b>	<b>2,218.37</b>	<b>(2,785.75)</b>	<b>5,325.37</b>	<b>(3,471.13)</b>	<b>5,042.68</b>
6	Finance costs	12,125.05	6,942.97	7,134.38	33,110.24	29,423.18	33,110.89	29,424.49
7	<b>Profit/(loss) from Ordinary activities after Finance costs but before Exceptional Item (5+6)</b>	<b>(14,196.51)</b>	<b>(6,318.12)</b>	<b>(4,916.01)</b>	<b>(35,895.99)</b>	<b>(23,897.81)</b>	<b>(36,582.02)</b>	<b>(24,381.81)</b>
8	Exceptional item - Gain/(Loss)	(5,775.29)	(999.45)	(1,362.31)	(8,645.59)	(5,254.53)	(8,645.59)	(5,254.53)
9	<b>Profit/(Loss) before Tax (9+10) from Ordinary activities before Tax (7+8)</b>	<b>(19,971.80)</b>	<b>(7,317.57)</b>	<b>(6,278.32)</b>	<b>(44,541.58)</b>	<b>(29,152.34)</b>	<b>(45,227.61)</b>	<b>(29,636.34)</b>
10	Tax expense	(1,186.49)	(1,219.68)	96.00	(4,804.32)	(1,725.07)	(4,804.32)	(1,725.07)
11	<b>Net Profit/(Loss) from Ordinary activities after Tax (9 ± 10)</b>	<b>(18,785.31)</b>	<b>(6,097.89)</b>	<b>(6,374.32)</b>	<b>(39,737.26)</b>	<b>(27,427.27)</b>	<b>(40,423.29)</b>	<b>(27,911.27)</b>
12	Extra-ordinary items - Gain/(Loss) (net of tax)	-	-	-	(8,625.85)	-	8,625.85	-
13	<b>Net Profit/(Loss) for the period (11 ± 12)</b>	<b>(18,785.31)</b>	<b>(6,097.89)</b>	<b>(6,374.32)</b>	<b>(48,363.11)</b>	<b>(27,427.27)</b>	<b>(49,049.14)</b>	<b>(27,911.27)</b>
14	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	8,896.43	8,896.43	8,896.43	8,896.43	8,896.43	8,896.43	8,896.43
15	Reserves excluding Revaluation Reserves	-	-	-	(35,279.74)	8,217.04	(47,663.03)	(3,991.94)
16	Earnings per share (EPS) before extra-ordinary items (of Rs. 10 each)							
	- Basic Rs.*	(21.12)	(6.85)	(7.32)	(44.67)	(31.51)	(45.44)	(32.07)
	- Diluted Rs.*	(21.12)	(6.85)	(7.32)	(44.67)	(31.51)	(45.44)	(32.07)
17	Earnings per share (EPS) after extra-ordinary item (of Rs. 10 each)							
	- Basic Rs.*	(21.12)	(6.85)	(7.32)	(54.36)	(31.51)	(55.15)	(32.07)
	- Diluted Rs.*	(21.12)	(6.85)	(7.32)	(54.36)	(31.51)	(55.15)	(32.07)



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**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017**

- 1 The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 26, 2017.
- 2 The Company is operating in a single segment (i.e) "Pharmaceuticals".
- 3 Exceptional items for quarter/year ended March 31, 2017 represents amortisation of exchange loss on restatement of Foreign currency loans amounting to Rs.441.19 Lakhs / Rs.3312.29 Lakhs and Provision for contingencies relating to transferred business amounting to Rs.5333.30 Lakhs (Amortisation of exchange loss during corresponding previous quarter/year ended March 31,2016 Rs.1362.31 Lakhs and Rs.5254.53 Lakhs)
- 4 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, 2017 on account of exercising the above option is Rs.5498.78 Lakhs.
- 5 Interest expenses for the quarter/year ended March 31, 2017 is net of interest earned Rs.298.40 Lakhs and Rs.1480.33 Lakhs respectively (Corresponding previous quarter/ year Rs.484.92 Lakhs and Rs. 1876.42 Lakhs). Interest for the quarter includes an amount of Rs.5093.90 Lakhs, being claims made by lending Banks for prior years.
- 6 Other income for the quarter / year ended March 31, 2017 includes recovery of excess remuneration paid to Managing Director amounting to Rs.428.55 Lakhs and Rs.1045.27 Lakhs respectively due to non receipt of approval from Central Government.
- 7 Extra-ordinary item for the year ended March 31, 2017 represents write-off of hold back money and inventory related to Transfer of Penam and Penicillin Business during July 2014.
- 8 The auditors have observed matters relating to recovery of certain advances paid to suppliers, non-provision of diminution in value of investment in a foreign R&D subsidiary, non provision of amount due from marketing subsidiary and non receipt of confirmation from few banks. The Corporate Debt Restructuring scheme has been implemented in July 2014. Due to financial constraints, the Company was not able to take delivery of materials/capital goods. The management is confident that it would be able to take delivery of these materials/capital goods in due course, based on its performance. As far as the diminution in value of investments is concerned, the Management is confident that the value of intellectual property of molecules held by the foreign subsidiary will be more than the investment. In respect of dues from the marketing subsidiary, the Company is exporting and selling profitable products through its marketing subsidiary and the profit generated by the marketing subsidiary from the operations will be available for settlement of past dues. In view of the delay in payment of interest and principal, few banks have not provided balance confirmation. However the interest on the outstanding with such banks has been provided at the applicable rates. Hence the Board of Directors considering the explanation given by the Management is of the opinion that the observations made by the auditors will not have material impact on the financials. The auditors have previously qualified non-impairment of investment in and non-provision of dues receivable from an R&D subsidiary amounting to Rs.128.24 Cr. The Company has obtained valuation of the molecule held by the subsidiary from a reputed valuer, the value of which adequately covers the entire exposure of the Company towards the subsidiary.

9 Previous period figures have been regrouped wherever necessary.

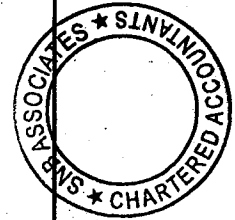
Place : Chennai  
 Date : May 26, 2017



For and on behalf of the Board

*K. Raghavendra Rao*

K. Raghavendra Rao  
 Managing Director





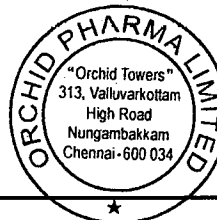
Orchid Pharma Ltd.

STATEMENT OF ASSETS AND LIABILITIES

Rs. Lakhs

	Particulars	Stand alone (Audited)		Consolidated (Audited)	
		As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Shareholders' funds</b>				
	(a) Share Capital	8,896.43	8,896.43	8,896.43	8,896.43
	(b) Reserves and Surplus	(35,279.74)	8,217.04	(47,663.03)	(3,991.94)
	<b>Sub-total- Shareholders' funds</b>	<b>(26,383.31)</b>	<b>17,113.47</b>	<b>(38,766.60)</b>	<b>4,904.49</b>
2	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	2,14,236.58	2,37,753.66	2,14,236.58	2,37,753.65
	(b) Deferred tax liabilities (net)	4,609.91	9,414.23	4,609.91	9,414.23
	(c) Long-term provisions	206.67	373.09	206.67	373.09
	<b>Sub-total- Non-current liabilities</b>	<b>2,19,053.16</b>	<b>2,47,540.98</b>	<b>2,19,053.16</b>	<b>2,47,540.97</b>
3	<b>Current liabilities</b>				
	(a) Short-term borrowings	59,952.38	63,362.38	59,952.38	63,379.07
	(b) Trade payables	41,268.12	35,308.80	43,351.73	37,426.63
	(c) Other current liabilities	49,461.40	28,505.36	49,485.42	28,534.46
	(d) Short-term provisions	4,043.57	4,421.59	4,043.57	4,421.59
	<b>Sub-total-Current liabilities</b>	<b>1,54,725.47</b>	<b>1,31,598.13</b>	<b>1,56,833.10</b>	<b>1,33,761.75</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>3,47,395.32</b>	<b>3,96,252.58</b>	<b>3,37,119.66</b>	<b>3,86,207.21</b>
<b>B</b>	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Fixed assets	1,69,001.49	1,82,076.30	1,78,485.19	1,91,723.27
	(b) Non-current investments	12,466.09	12,464.72	96.19	81.19
	(c) Long-term loans and advances	55,955.83	56,598.08	55,955.83	56,581.90
	(d) Other non-current assets	13,348.92	12,701.07	13,348.92	12,701.07
	<b>Sub-total- Non-current assets</b>	<b>2,50,772.33</b>	<b>2,63,840.17</b>	<b>2,47,886.13</b>	<b>2,61,087.43</b>
2	<b>Current assets</b>				
	(a) Inventories	19,745.37	21,034.45	21,125.13	24,184.91
	(b) Trade receivables	25,252.49	37,544.03	20,910.78	31,007.45
	(c) Cash and cash equivalents	25,604.33	31,311.22	25,706.40	31,494.01
	(d) Short-term loans and advances	26,020.80	32,022.71	21,491.22	27,933.41
	(e) Other Current Assets	-	10,500.00	-	10,500.00
	<b>Sub-total-current assets</b>	<b>96,622.99</b>	<b>1,32,412.41</b>	<b>89,233.53</b>	<b>1,25,119.78</b>
	<b>TOTAL ASSETS</b>	<b>3,47,395.32</b>	<b>3,96,252.58</b>	<b>3,37,119.66</b>	<b>3,86,207.21</b>

Place : Chennai  
Date : May 26, 2017



For and on behalf of the Board

*K. Raghavendra Rao*

K. Raghavendra Rao  
Managing Director



# SNB ASSOCIATES

CHARTERED ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE BOARD OF DIRECTORS OF ORCHID PHARMA LIMITED

We have audited the accompanying Statement of Standalone Financial Results of **ORCHID PHARMA LIMITED** ("the Company") for the year ended March 31, 2017 ("the Statement") being submitted by the Company pursuant to the requirement of Regulations 33 of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related financial statements which has been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- I. The Company has given advances amounting to Rs.726 crores to various parties and are outstanding as on March 31, 2017. The Company has not received any materials/ capital goods against these advances. 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.28.25 crores in one of its subsidiary carrying on research and development activities. The subsidiary has not been spending any money on the research during the current period as no financial support is given by the parent Company and the parent company has not allocated any funds for the future development. No information is also available with the company regarding the***



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Phone : 2852 7551 Mob : 9987053015

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*value of molecules available with the company. In view of the above, it is necessary to impair the value of this investment.*

- III. The Company has an exposure of Rs.27.35 crores towards receivables from one of its marketing subsidiary whose net worth is negative. Provision has not been made for same.**
- IV. The Company has not received confirmation of balance from banks for loans amounting to Rs.290.89 crores.**

In our opinion and to the best of our information and according to the explanations given to us subject to the previous paragraphs (I to IV) above, the statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting standards and other Accounting principles generally accepted in India of the net loss and other financial information of the company for the year ended March 31, 2017.

The Statement includes the results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.

**For SNB ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015682N

  
P Bharath Kumar  
Partner  
M.No: 222579



Date: May 26, 2017  
Place: Chennai



# SNB ASSOCIATES

CHARTERED ACCOUNTANTS

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

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF ORCHID PHARMA LIMITED

We have audited the accompanying Statement of Consolidated Financial Results of **ORCHID PHARMA LIMITED** ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as the 'the group'), for the year ended March 31, 2017 ("the statements"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. This statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is accordance with the Accounting standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such consolidated financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- I. ***The Company has given advances amounting to Rs.726 crores to various parties and are outstanding as on March 31, 2017. The Company has not received any materials/ capital goods against these advances. 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 not received confirmation of balance from banks for loans amounting to Rs.290.89 crores.***



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We did not audit the financial statements of the five subsidiaries included in the consolidated financial results, whose financial statements reflect total liabilities (net) of Rs. (9160.56 Lakhs) as at March 31, 2017 and total revenues of Rs.370.40 Lakhs for the year ended March 31, 2017 and total loss after tax of Rs.686.01 Lakhs for the year ended March 31, 2017, as considered in the consolidated financial results. These financial statements of subsidiaries have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries is based solely on such management approved financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements/ financial information are not material to the group.

In our opinion and to the best of our information and according to the explanations given to us, subject to previous paragraphs (I to II) above the Statement

- I. Include the financial results of the following entities
  - Orchid Europe Limited, UK – Subsidiary company
  - Orchid Pharmaceuticals Inc., USA – Subsidiary company
  - Orchid Pharmaceuticals SA (proprietary) Limited, South Africa (OCPL, SA) – Subsidiary company
  - Bexel Pharmaceuticals Inc., USA - Subsidiary company
  - Diakron Pharmaceuticals Inc., USA - Subsidiary company
- II. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015; and
- III. gives a true and fair view in conformity with the aforesaid Accounting standards and other Accounting principles generally accepted in India of the consolidated net loss and other financial information of the company for the year ended March 31, 2017.

**For SNB ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015682N

  
**P BHARATH KUMAR**  
Partner  
Membership No: 222579

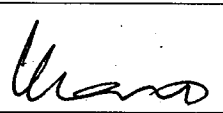
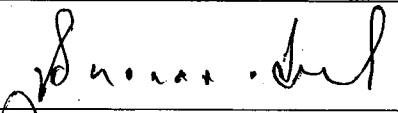
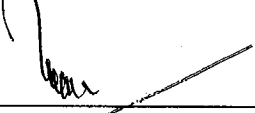
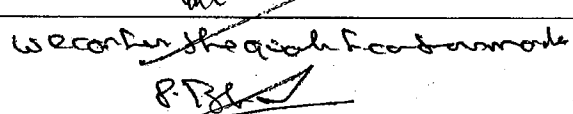


Date: May 26, 2017  
Place: Chennai

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended March 31,  
2017 – Standalone Basis  
[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I	Sl.No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)*
	1	Turnover / Total Income (including other income)	78108.44	78108.44
	2	Total Expenditure (Including finance cost, exceptional and extraordinary items)	131275.87	131275.87
	3	Net Profit / (Loss)	48363.11	48363.11
	4	Earnings per Share (In Rs.)	(54.36)	(54.36)
	5	Total Assets	347395.32	347395.32
	6	Total Liabilities	373778.63	373778.63
	7	Net worth	(26383.31)	(26383.31)
	8	Any Other Financial item(s) (as felt appropriate by the management)	-	-
II		<b>Audit Qualification</b>		
	II(1)(a)	<b>Details of Audit Qualification:</b>	The Company has given advances amounting to Rs. 726 crores to various parties and are outstanding as on March 31, 2017. The Company has not received any materials/ capital goods against these advances. 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.	
	(b)	<b>Type of Audit Qualification :</b>	Qualified opinion	
	(c)	<b>Frequency of Qualification :</b>	Repetitive from period 18 months ended 30 <sup>th</sup> September 2013	
	(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A	

	(e)	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
	(i)	<b>Management's estimation on the impact of audit qualification:</b>	NIL  The Company is currently under the Corporate Debt Restructuring (CDR) scheme. The Corporate Debt Restructuring scheme has been implemented in July 2014. Due to financial constraints, the Company was not able to take delivery of materials /capital goods and the company is confident that it would be able to take delivery of these materials/capital goods in due course, based on its performance.
	(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	N.A.
	(iii)	<b>Auditor's Comment on (i) or (ii) above:</b>	We are not able to express any opinion on the recoverability of these amounts in the absence of full information
	II(2)(a)	<b>Details of Audit Qualification:</b>	The Company has investments of Rs. 28.25 Crores in a subsidiary carrying on research and development activities. The subsidiary has not been spending any money on the research during the current period as no financial support is given by the parent Company and the parent Company has not allocated any funds for the future development. No information is also available with the company regarding the value of molecules available with the subsidiary. In view of the above, it is necessary to impair the value of this investment.
	(b)	<b>Type of Audit Qualification :</b>	Qualified opinion
	(c)	<b>Frequency of Qualification :</b>	Repetitive from period 18 months ended 30 <sup>th</sup> September 2013
	(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	As far as the diminution in value of investments is concerned, the Management is confident that the value of intellectual property of molecules held by the foreign subsidiary will be more than the investment.
	(e)	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	N.A
	II(3)(a)	<b>Details of Audit Qualification:</b>	The Company has an exposure of Rs.27.35 crores towards receivables from one of its marketing subsidiary whose net worth is negative. Provision has not been made for same.


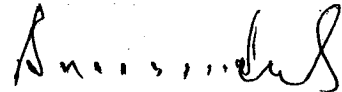
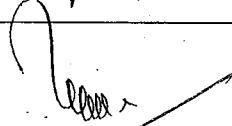
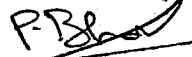
	(b)	Type of Audit Qualification :	Qualified opinion
	(c)	Frequency of Qualification :	Repetitive from period 18 months ended March 31,2015
	(d)	For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:	In respect of dues from the marketing subsidiary, the Company is exporting and selling profitable products through its marketing subsidiary and the profit generated by the marketing subsidiary from the operations will be available for settlement of past dues.
	(e)	For Audit Qualification(s) where the impact is not quantified by the auditor:	N.A
	II(4)(a)	Details of Audit Qualification:	The Company has not received confirmation of balance from banks for loans amounting to Rs.290.89 crores
	(b)	Type of Audit Qualification :	Qualified opinion
	(c)	Frequency of Qualification :	Repetitive from period 18 months ended March 31,2015
	(d)	For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:	In view of the delay in payment of interest and principal, few banks have not provided balance confirmation. However the interest on the outstanding with such banks has been provided at the applicable rates.
	(e)	For Audit Qualification(s) where the impact is not quantified by the auditor:	N.A
III	Signatories		
	CEO/ Managing Director		
	CFO		
	Audit Committee Chairman		
	Statutory Auditor		 W. R. Srinivasan P. B. Srinivasan
	Place: Chennai		
	Date: 26/05/2017		

**Statement on Impact of Audit Qualifications Submitted for the Financial Year ended March 31,  
2017 – Consolidated Basis**

**[Pursuant to Regulation 33 & 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)*
	1	Turnover / Total Income (including other income)	82223.63	82223.63
	2	Total Expenditure (Including finance cost, exceptional and extra-ordinary items)	136077.09	136077.09
	3	Net Profit / (Loss)	(49049.14)	(49049.14)
	4	Earnings per Share (In Rs.)	(55.13)	(55.13)
	5	Total Assets	337119.66	337119.66
	6	Total Liabilities	375886.26	375886.26
	7	Net worth	(38766.60)	(38766.60)
	8	Any Other Financial item(s) (as felt appropriate by the management)	-	-
II		<b>Audit Qualification</b>		
	II(1)(a)	<b>Details of Audit Qualification:</b>	The Company has given advances amounting to Rs. 726 crores to various parties and are outstanding as on March 31, 2017. The Company has not received any materials/ capital goods against these advances. 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	
	(b)	<b>Type of Audit Qualification :</b>	Qualified opinion	
	(c)	<b>Frequency of Qualification :</b>	Repetitive from period 18 months ended 30 <sup>th</sup> September 2013	
	(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A	

	(e)	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
	(i)	<b>Management's estimation on the impact of audit qualification:</b>	Nil The Company is currently under the Corporate Debt Restructuring (CDR) scheme. The Corporate Debt Restructuring scheme has been implemented in July 2014. Due to financial constraints, the Company was not able to take delivery of materials /capital goods and the company is confident that it would be able to take delivery of these materials/capital goods in due course, based on its performance.
	(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	N.A.
	(iii)	<b>Auditor's Comment on (i) or (ii) above:</b>	We are not able to express any opinion on the recoverability of these amounts in the absence of full information
	II(2)(a)	<b>Details of Audit Qualification:</b>	The Company has not received confirmation of balance from banks for loans amounting to Rs.290.89 crores
	(b)	<b>Type of Audit Qualification :</b>	Qualified opinion
	(c)	<b>Frequency of Qualification :</b>	Repetitive from period 18 months ended March 31,2015
	(d)	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:</b>	N.A
	(e)	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
	(i)	<b>Management's estimation on the impact of audit qualification:</b>	In view of the delay in payment of interest and principal, few banks have not provided balance confirmation. However the interest on the outstanding with such banks has been provided at the applicable rates.
	(ii)	<b>If management is unable to estimate the impact, reason for the same</b>	N.A.

	iii)	Auditor's Comment on (i) or (ii) above:	N.A
III	Signatories		
	CEO/ Managing Director		
	CFO		
	Audit Committee Chairman		
	Statutory Auditor		<p data-bbox="845 795 1436 840">we confirm the audit for the year</p> 
	Place: Chennai		
	Date: 26/05/2017		