

DIAC (UKT)

POKAL

18/3/14

## Orchid Pharma gets nod for CDR

### BETTER PACKAGE

- OPCL can now mobilise funds by selling some of its assets and businesses to US-based pharmaceuticals firm Hospira, a move approved by OPCL's board of directors on Saturday
- The CDR scheme includes the sale and transfer of OCPL's penicillin and penems (including carbapenem) API business, as well as its manufacturing facilities at Aurangabad development facility at Sholinganallur



BS REPORTER  
Chennai, 16 March

City-based Orchid Chemicals and Pharmaceuticals

Ltd (OCPL) has said an empowered group on corporate debt restructuring (CDR) has approved a debt restructuring package for the company. Now, OPCL can mobilise funds by selling some of its assets and businesses to US-based pharmaceuticals firm Hospira, a move approved by OPCL's board of directors on Saturday.

"The approval of the CDR package will facilitate the completion of the transfer of the

penicillin and carbapenem API (active pharmaceutical ingredient) business to Hospira and bring in working capital from the deal, besides deleveraging the debt profile.

With this, the company will be on a better platform to achieve improved performance," said K Raghavendra Rao, chairman and managing director, OCPL.

The CDR scheme includes the sale and transfer of OCPL's penicillin and penems (including carbapenem) API business, as well as its manufacturing facilities at Aurangabad (Maharashtra), and associated research and development facility at Sholinganallur (Chennai).

It also included repayment of ₹681 crore of debt from the proceeds of the sale, as well as restructuring the remaining debt of ₹2,866 crore, the company said.

The package includes interest funding for the first two years from the cut-off date of April 1, 2013, on term debt, as well for a year on interest on working capital borrowings. A portion of the sale proceeds will be kept aside to meet the company's working capital requirements.

The restructured debt, together with the funded loans, will have to be repaid through eight years starting April 2015.

F&I / Company