

India's Orchid Pharma completes debt recast

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Singapore: Indian company, based in Chennai, Orchid Chemicals and Pharmaceuticals has said that it completed the debt recast scheme that it had initiated last year.

As per the process, Orchid will pay back dues of ₹ 2,866 crore to a consortium of lenders over a period of 10 years.

Further, the Business Transfer Agreement that Orchid entered into with Hospira India in 2012 too has been cleared by the RBI panel on debt recast.

This agreement allows the company to pay-off a portion of its total debt of ₹ 3,547 crore and meet working capital requirements.

A news report pointed out that the proceeds of the sale to Hospira amount to ₹ 1,134 crore. In a statement to BSE, the company's managing director, Mr K Raghavendra Rao said, "With this development, the company is back on the growth path. With our inherent strength in the cephalosporins segment, our rebuilding process will be fast and robust."

Meanwhile, the company is said to be battling a case of mismanagement of affairs filed by Mr Cyrus Poonawalla-backed Serum Institute of India. Mr Poonawalla and associated firms, which hold 14.19 percent in Orchid, had asked for an interim stay on the debt recast process, but it was not granted. The Company Law Board is expected to deliver the final verdict on July 22.