



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



To,

Date: 17.10.2018

BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400001  
Dear Sir/ Madam,

NSE Limited  
Bandra - Kurla Complex, Bandra (East)  
Mumbai 400051

Sub: Annual report for the year 2017-18

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2017-18 as approved by the shareholders in the AGM held on 29.09.2018 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,

For Ortin Laboratories Limited

S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632



Encl. as above

**ORTIN LABORATORIES  
LIMITED**

**31st  
ANNUAL REPORT  
2017-18**

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# ORTIN LABORATORIES LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1. Mr. S. Murali Krishna Murthy - Managing Director (DIN: 00540632)
2. Mr. G. Venkata Ramana - Joint Managing Director(DIN: 00031873)
3. Mr. S. Mohan Krishna Murthy - Whole Time Director (DIN: 00540705)
4. Mr. S. Balaji Venkateswarlu - Whole Time Director (DIN: 02010148)
5. Mr. S. Srinivas Kumar - Whole Time Director (DIN: 02010272)
6. Mr. Bh. Satyanarayana Raju - Whole Time Director (DIN: 02697880)
7. Mr. J. R. K. Panduranga Rao - Independent Director (DIN: 00294746)
8. \*Mr. M. Tippayya - Independent Director (DIN: 00306985)
9. Mr. K. Pradyumna Teja - Independent Director (DIN: 03074013)
10. Mr. T Seshagiri - Independent Director (DIN: 06715818)
11. Mr. B. Gopal Reddy - Independent Director (DIN: 06716560)
12. #Ms. T. Uma Sangeetha - Additional Director (DIN: 08120320)
13. \*\*Mrs. Lakshmi Sravani Dasari - Non-Executive Director (DIN: 03118833)

\*Resigned w.e.f 30.07.2018

\*\*Resigned w.e.f 17.11.2017

#Appointed w.e.f 27.04.2018

### CFO

Mr. Bh. Satyanarayana Raju

### COMPANY SECRETARY

Sharvari Swapnil Shinde

### REGISTERED OFFICE

D. No: 3-4-512/35 (43/4RT),  
Opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027  
Ph: 040-27567266, Fax: 040-66103055  
Email: [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)

### Works:

#### Unit 1

Plot No.275 & 278, I.D.A  
Pashamylaram, Medak Dist.-502307 (TS) (INDIA)

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## ORTIN LABORATORIES LIMITED

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### Unit 2

Sy. No. 300, Malkapur Village,  
Choutuppal Mandal,  
Yadadri, Bhuvanagiri District

### CORPORATE IDENTITY NUMBER

L24110TG1986PLC006885

### AUDITORS

M/s. Sathuluri & Co.,  
Chartered Accountants,  
Hyderabad

### BANKERS

Karnataka Bank Ltd.,  
Nampally Station Road,  
Hyderabad- 500001

### AUDIT COMMITTEE:

- |                               |   |          |
|-------------------------------|---|----------|
| 1. Mr. K. Pradyumna Teja      | - | Chairman |
| 2. Mr. J.R.K. Pandu Ranga Rao | - | Member   |
| 3. Dr. B. Gopal Reddy         | - | Member   |

### NOMINATION & REMUNERATION COMMITTEE:

- |                          |   |          |
|--------------------------|---|----------|
| 1. Mr. T. Seshagiri      | - | Chairman |
| 2. Mr. K. Pradyumna Teja | - | Member   |
| 3. Dr. B. Gopal Reddy    | - | Member   |

### STAKEHOLDER RELATIONSHIP COMMITTEE:

- |                               |   |          |
|-------------------------------|---|----------|
| 1. Mr. J.R.K. Pandu Ranga Rao | - | Chairman |
| 2. Mr. K. Pradyumna Teja      | - | Member   |
| 3. Dr. B. Gopal Reddy         | - | Member   |

### INDEPENDENT DIRECTORS COMMITTEE:

- |                                |   |          |
|--------------------------------|---|----------|
| 1. Mr. T Seshagiri             | - | Chairman |
| 2. Mrs. Uma Sangeetha          | - | Member   |
| 3. Mr. K. Pradyumna Teja       | - | Member   |
| 4. Mr. J. R. K. Panduranga Rao | - | Member   |
| 5. Dr. B. Gopal Reddy          | - | Member   |

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## ORTIN LABORATORIES LIMITED

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### RISK MANAGEMENT COMMITTEE:

1. Mr. B. Gopal Reddy - Chairman
2. Mr. K. Pradyumna Teja - Member
3. Mr. S. Mohan Krishna Murhy - Member

### REGISTRAR & SHARE TRANSFER AGENTS

M/s Karvy Computer Shares Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500 032  
Tel: 040-67161500 Fax 040-23001153

**LISTED AT** : BSE Limited,  
National Stock Exchange of India Limited

**ISIN** : **INE749B01012**

**WEBSITE** : [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

**INVESTOR E-MAIL ID** : [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)

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## ORTIN LABORATORIES LIMITED

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### NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Shareholders of Ortin Laboratories Limited will be held on Saturday, 29th day of September, 2018 at 11:30 a.m. at the Registered Office of the Company at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. S. Mohan Krishna Murthy (DIN: 00540705) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. S. Balaji Venkateswarlu (DIN: 02010148) who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

4. **RE-APPOINTMENT OF MR. J. R. K. PANDURANGA RAO (DIN: 00294746) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. J. R. K. Panduranga Rao (DIN: 00294746), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

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## ORTIN LABORATORIES LIMITED

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**5. RE-APPOINTMENT OF MR. K. PRADYUMNA TEJA (DIN: 03074013) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K. Pradyumna Teja (DIN: 03074013), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**6. RE-APPOINTMENT OF MR. T. SESHAGIRI (DIN: 06715818) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T. Seshagiri (DIN: 06715818), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**7. RE-APPOINTMENT OF MR. B. GOPAL REDDY (DIN: 06716560) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

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## ORTIN LABORATORIES LIMITED

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**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. B. Gopal Reddy (DIN: 06716560), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**8. APPOINTMENT OF MRS. T. UMA SANGEETHA (DIN: 08120320) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mrs. T. Uma Sangeetha holding (DIN: 08120320) who was appointed as additional director by the Board of Directors in the meeting held on 27.04.2018 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and who holds office until the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. T. Uma Sangeetha as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for one year upto 26.04.2019.

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**9. RE-APPOINTMENT AND REVISION OF REMUNERATION OF S. MURALI KRISHNA MURTHY (DIN: 00540632) AS MANAGING DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the



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## ORTIN LABORATORIES LIMITED

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following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Murali Krishna Murthy as Managing Director of the Company for a period of three years with effect from 27.01.2019 to 26.01.2022 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Murali Krishna Murthy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act , 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**10. RE-APPOINTMENT AND REVISION OF REMUNERATION OF G. VENKATA RAMANA (DIN: 00031873) AS JOINT MANAGING DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. G. Venkata Ramana as Joint Managing Director of the Company for a period of one year with effect

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## ORTIN LABORATORIES LIMITED

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from 01.11.2018 to 30.10.2019 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. G. Venkata Ramana, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act , 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**11. RE-APPOINTMENT AND REVISION OF REMUNERATION OF S. MOHAN KRISHNA MURTHY (DIN: 00540632) AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Mohan Krishna Murthy as Whole-Time Director of the Company for a period of three years with effect from 01.04.2018 to 31.03.2021 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

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## ORTIN LABORATORIES LIMITED

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**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Mohan Krishna Murthy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**12. RE-APPOINTMENT AND REVISION OF REMUNERATION OF S. BALAJI VENKATESWARLU (DIN: 02010148) AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Balaji Venkateswarlu as Whole-Time Director of the Company for a period of three years with effect from 01.04.2018 to 31.03.2021 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Balaji Venkateswarlu, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

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## ORTIN LABORATORIES LIMITED

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“**RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**13. RE-APPOINTMENT AND REVISION OF REMUNERATION OF S. SRINIVASA KUMAR (DIN: 02010272) AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Srinivasa Kumar as Whole-Time Director of the Company for a period of three years with effect from 01.04.2018 to 31.03.2021 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

“**RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

“**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Srinivasa Kumar, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“**RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**14. RE-APPOINTMENT AND REVISION OF REMUNERATION OF B. SATYANARAYANA RAJU (DIN: 02697880) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY:**

To consider and if, thought fit to pass with or without modification(s), the

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## ORTIN LABORATORIES LIMITED

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following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. B. Satyanarayana Raju as Whole-Time Director of the Company for a period of one year with effect from 01.04.2018 to 31.03.2019 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice”.

**“RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. B. Satyanarayana Raju, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

**“RESOLVED FURTHER THAT** the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

### **15. RATIFICATION OF APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2018-2019:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is here by accorded for ratification of appointment of M/s. KJU & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended

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## **ORTIN LABORATORIES LIMITED**

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31st March, 2019 on a remuneration of Rs. 50,000(Rupees fifty thousand only)plus out of pocket expenses and applicable taxes.”

**“RESOLVED FURTHER THAT** the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**For and on behalf of the Board of  
For Ortin Laboratories Limited**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632**

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## ORTIN LABORATORIES LIMITED

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### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2018, to 29.09.2018 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. Recent regulations require submission of Aadhar/PAN number by every participant in securities market. Members holding shares in demat form

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## ORTIN LABORATORIES LIMITED

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are, therefore, requested to submit Aadhar card/PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)

9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Karvy Computershare Private Limited.**, Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.
15. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com) for their download. The physical copies of the aforesaid documents will also be available at the



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## ORTIN LABORATORIES LIMITED

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Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)

### 16. Voting through Electronic Means (E-Voting Facility)

Pursuant to the provisions of Section 108 of the Act read with the rules thereunder and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 31<sup>st</sup> Annual General Meeting scheduled to be held Saturday the 29<sup>th</sup> of September, 2018 at 11:30 a.m. at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad – 500027, Telangana

The Company has engaged the services of M/s. Karvy Computershare Private Limited (“Karvy”) as the Authorized Agency to provide e-voting facilities.

The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 26.09.2018 at 9:00 a.m.**

End of e-voting: **Up to 28.09.2018 at 5:00 p.m.**

**The cut-off date (i.e. the record date) for the purpose of e-voting is 22.09.2018.**

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 14.08.2018 for the AGM scheduled to be held on 29.09.2018 at 11.30 a.m. at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad- 500027, Telanganawhich is enclosed herewith and is also made available on the website of the Company [www.ortinlabsindia.com](http://www.ortinlabsindia.com). Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 31st Annual General Meeting of the Company dated 14.08.2018.

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## ORTIN LABORATORIES LIMITED

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### Procedure and instructions for e-voting

- A.** Members who received the Notice through e-mail from Karvy:
- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'

Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your

|           |   |
|-----------|---|
| User – ID | For Members holding shares in Demat Form:-<br>a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID<br>b) For CDSL :- 16 digits Beneficiary ID / Client ID<br>For Members holding shares in Physical Form:-<br>Event No. (EVENT) followed by Folio No. registered with the Company |
| Password  | Your unique password is printed above / provided in the e-mail forwarding the electronic notice   |

- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt to select the “Event” i.e. Ortin Laboratories Limited.
- vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under “FOR/AGAINST/ABSTAIN” against the resolution or alternatively you may partially enter any number in “FOR” , partially in “AGAINST” and partially in “ABSTAIN” but the total number in “FOR/AGAINST/ABSTAIN” taken together should not exceed your total shareholding.

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## ORTIN LABORATORIES LIMITED

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- viii. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- ix. Corporate/Institutional Members (corporate /FIs /FIIs/Trust/Mutual Funds/Company, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name Event No.”.
- B. In case of Members receiving the Notice by post:
1. Please use the User ID and initial password as provided above.
  2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.
- C. The e- voting period commences on 26.09.2018 at 09.00 A.M and ends on 28.09.2018 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.
- D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- E. Mr. Vivek Surana, Practicing Company Secretary (PCS) has been appointed as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer’s decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com).
- F. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, and submit it to the Chairman.
- G. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on 29.09.2018 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolution.
- H. The result of the voting along with the Scrutinizer’s Report will be communicated to the stock exchanges and will also be hosted on the website of the Company ([www.ortinlabsindia.com](http://www.ortinlabsindia.com)) and on Karvy’s

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## ORTIN LABORATORIES LIMITED

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website (<https://evoting.karvy.com>) within 48 hours of completion of voting.

- I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 22.09.2018. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.
- H. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com), Phone : 040-67162222.
- I. Members who have acquired shares after the dispatch of the Notice and before the Cutoff date may obtain the user ID by approaching Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com), Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.
17. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2018-19, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2010-11 to the IEPF if any, within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 22.09.2018.
19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

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## ORTIN LABORATORIES LIMITED

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20. Relevant documents referred to in the accompanying Notice, are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
21. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board of  
For Ortin Laboratories Limited**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632**

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## ORTIN LABORATORIES LIMITED

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### EXPLANATORY STATEMENT [Pursuant to Section 102 of the Companies Act, 2013]

#### **ITEM NO.4:**

Mr. JRK Panduranga Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 30.09.2006. Mr. JRK Panduranga Rao is the Chairman Stakeholders Relationship Committee and a member of Nomination and Remuneration Committee and Audit Committee of the Board of Directors of the Company.

Mr. JRK Panduranga Rao has done M. Pharma. He is a Retired Joint Drugs controller, AP. He is having around 40 years of experience in the industry.

Mr. JRK Panduranga Rao's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr.JRK Panduranga Rao being eligible and offering himself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr.JRK Panduranga Rao as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr.JRK Panduranga Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.JRK Panduranga Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr.JRK Panduranga Rao as an Independent Director, for the approval by the shareholders of the Company.

Except Mr.JRK Panduranga Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

#### **ITEM NO.5:**

Mr. K. Pradyumna Teja is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 14.06.2010. Mr. K. Pradyumna Teja is the Chairman of the Audit Committee and a member of Stakeholders Relationship Committee and Nomination and Remuneration

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## ORTIN LABORATORIES LIMITED

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Committee and of the Board of Directors of the Company.

Mr. K. Pradyumna Teja is a Chartered Accountant, having around 24 years of experience.

Mr. K. Pradyumna Teja's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. K. Pradyumna Teja being eligible and offering himself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr.K. Pradyumna Teja as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. K. Pradyumna Teja fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.K. Pradyumna Teja as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. Pradyumna Teja as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. K. Pradyumna Teja, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### **ITEM NO.6:**

Mr. T. Seshagiri is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 01.06.2014. Mr. T. Seshagiri is the Chairman of the Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. T. Seshagiri is has done B. Pharma. He is a Retired Deputy Drugs Controller Technical.

Mr. T. Seshagiri's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. T. Seshagiri being eligible and offering himself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr. T. Seshagiri as a candidate for the

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## ORTIN LABORATORIES LIMITED

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office of Director of the Company.

In the opinion of the Board, Mr. T. Seshagiri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T. Seshagiri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. T. Seshagiri as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. T. Seshagiri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

### **ITEM NO.7:**

Mr. B. Gopal Reddy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 01.06.2014. However as per Companies Act, 2013 the appointment of Directors who have attained the age of 70 years shall be subject to the approval of the Shareholders by passing the special resolution. Hence the board of Directors have commended the resolution no.7 for your approval by passing the special resolution.

Mr. B. Gopal Reddy is a Doctor by Profession and is Retired Joint Director of Medical and Health Services, Government of A.P.

Mr. B. Gopal Reddy's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. B. Gopal Reddy being eligible and offering himself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mr. B. Gopal Reddy as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. B. Gopal Reddy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.



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## ORTIN LABORATORIES LIMITED

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B. Gopal Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. B. Gopal Reddy as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. B. Gopal Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

### **ITEM NO.8:**

Mrs. T. Uma Sangeetha was appointed as Additional Director on 27.04.2018, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Mrs. T. Uma Sangeetha for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. T. Uma Sangeetha as 'Independent Director' for a term of one year up to 26.04.2019, and pass the resolution set out at Item No. 9. The appointment of Mrs. T. Uma Sangeetha is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mrs. T. Uma Sangeetha fulfils the conditions specified in the Companies Act, 2013 and the Rules framed there under and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

Except Mrs. T. Uma Sangeetha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

### **ITEM NO.9:**

S. Murali Krishna Murthy (DIN: 00540632) earlier was appointed as Managing Director of the Company for a period of 3 years from 27.01.2016 to 26.01.2019 at the 29th Annual General Meeting held on 30.09.2016.

## **ORTIN LABORATORIES LIMITED**

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Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of S. Murali Krishna Murthy (DIN: 00540632) as Managing Director of the with Company for a term of three years commencing from 27.01.2019 to 26.01.2022 with a remuneration of Rs. 45,000 per month.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 9.

Save and except S. Murali Krishna Murthy Managing Director, being an appointee S. Mohan Krishna Murthy, Whole-Time Director, S. Balaji Venkateswarlu Whole-Time Director and Mr. S. Srinivasa Kumar, Whole-Time Director being, his relatives, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

### **Information in accordance with Schedule V of Companies Act, 2013**

#### **I. GENERAL INFORMATION**

|   |   |                           |                           |                           |
|---|---|---------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                           |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                           |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                           |                           |                           |
| 4 | Financial performance based on given indications  |                           |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                   | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                     | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                           |                           |                           |

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## ORTIN LABORATORIES LIMITED

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### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details: Mr. S. Murali Krishna Murthy started a Pharma . Distribution Business in the year 1978 along with his other partners with a very meager investment. He has developed the business of the firm to multi folds within a span of 10yrs. He has graduated in .Science from Nagarjuna University. He has an experience of 35yrs in Pharma Business.  |
| 2 | Past Remuneration: The remuneration drawn by Mr. S. Murali Krishna Murthy, Managing Director Rs. 45,000 per month.  |
| 3 | Recognition or awards : Not Applicable  |
| 4 | Job Profile and his suitability:<br>Keeping the past record of Mr. S. Murali Krishna Murthy in mind and his contribution towards the Company, it is proposed to re-appoint him as Managing Director of the Company.   |
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.9 the remuneration to Mr. S. Murali Krishna Murthy, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.   |
| 6 | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):<br><br>Taking into consideration of the size of the Company, the profile of Mr. S. Murali Krishna Murthy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies. |
| 7 | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:<br><br>Besides the remuneration proposed, he is holding 1,43,475 Equity Shares of the Company.   |

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## ORTIN LABORATORIES LIMITED

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### III. OTHER INFORMATION:

|   |   |
|---|---|
| 1 | Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.                           |
| 2 | Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.   |
| 3 | Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years. |

#### **ITEM NO.10:**

Gaddam Venkata Ramana (DIN: 00031873) earlier was appointed as Joint Managing Director of the Company for a period of 3 years from 01.11.2015 to 30.10.2018 at the 29th Annual General Meeting held on 30.09.2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of Gaddam Venkata Ramana (DIN: 00031873) as Joint Managing Director of the with Company for a term of one year commencing from 01.11.2018 to 31.10.2019 with a remuneration of Rs. 165083.33 per month.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 10.

Save and except Gaddam Venkata Ramana (DIN: 00031873) Joint Managing Director, being an appointee none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Information in accordance with Schedule V of Companies Act, 2013**

## ORTIN LABORATORIES LIMITED

### I. GENERAL INFORMATION

|   |   |                            |                           |                           |
|---|---|----------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                            |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                           |                           |
| 4 | Financial performance based on given indications  |                            |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs ) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                    | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                      | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                           |                           |

### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details:Mr. G.Venkata Ramana is Joint Managing Director of the Company and aged about 50yrs. He is a Post Graduate in Chemistry. He has an experience of 20 Yrs in Pharma Industry.                                      |
| 2 | Past Remuneration: The remuneration drawn by Mr. G. Venkata Ramana, Managing Director is Rs. 165083 per month   |
| 3 | Recognition or awards : Not Applicable  |
| 4 | Job Profile and his suitability:<br>Keeping the past record of Mr. G.Venkata Ramana in mind and his contribution towards the Company, it is proposed to re-appoint him as Managing Director of the Company.                         |
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.10 the remuneration to Mr. G. Venkata Ramana, Joint Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors. |

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## ORTIN LABORATORIES LIMITED

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|---|---|
| 6 | <p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr. G. Venkata Ramana and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p> |
| 7 | <p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:<br/>Besides the remuneration proposed, he is holding 8,18,409 Equity Shares of the Company.</p>   |

### III. OTHER INFORMATION:

|   |  |
|---|--|
| 1 | <p>Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.</p>                           |
| 2 | <p>Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.</p>   |
| 3 | <p>Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.</p> |

### ITEM NO.11:

S. Mohan Krishna Murthy (DIN: 00540705) earlier was appointed as Whole-Time Director of the Company for a period of 3 years from 01.04.2015 to 31.03.2018 at the 28th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of S. Mohan Krishna Murthy (DIN: 00540705) as Whole-Time Director of the with Company for a term of three years commencing from 01.04.2018 to 31.03.2021 with a remuneration of Rs. 23750 per month.

## ORTIN LABORATORIES LIMITED

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 11.

Save and except S. Mohan Krishna Murthy Whole-Time Director, being an appointee and S. Murali Krishna Murthy, Managing Director, S. Balaji Venkateswarlu Whole-Time Director and Mr. S. Srinivasa Kumar, Whole-Time Director being his relatives, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

### Information in accordance with Schedule V of Companies Act, 2013

#### I. GENERAL INFORMATION

|   |   |                            |                           |                           |
|---|---|----------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                            |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                           |                           |
| 4 | Financial performance based on given indications  |                            |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs ) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                    | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                      | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                           |                           |

#### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details: Sri S.Mohan Krishna Murthy is aged about 59yrs, is an undergraduate and he is the Director of the company. He has an experience of 35yrs in Pharma Business. He is the Incharge of the Financial aspects of the company |
| 2 | Past Remuneration: The remuneration drawn by S. Mohan Krishna Murthy (DIN: 00540705), Managing Director is Rs. 23750 per month.   |
| 3 | Recognition or awards : Not Applicable  |
| 4 | Job Profile and his suitability:<br>Keeping the past record of Mr. S. Mohan Krishna Murthy in mind and his contribution towards the Company, it is proposed to re-appoint him as Managing Director of the Company.                          |

## ORTIN LABORATORIES LIMITED

|   |  |
|---|--|
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.11 the remuneration to Mr. S. Mohan Krishna Murthy, Whole-Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.  |
| 6 | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):<br><br>Taking into consideration of the size of the Company, the profile of Mr. S. Mohan Krishna Murthy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies. |
| 7 | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:<br>Besides the remuneration proposed, he is holding 35,816 Equity Shares of the Company.  |

### III. OTHER INFORMATION:

|   |   |
|---|---|
| 1 | Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.                           |
| 2 | Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.   |
| 3 | Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years. |

### ITEM NO.12:

S. Balaji Venkateswarlu (DIN: 02010148) earlier was appointed as Whole-Time Director of the Company for a period of 3 years from 01.04.2015 to 31.03.2018 at the 28th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of S. Balaji Venkateswarlu (DIN:



## ORTIN LABORATORIES LIMITED

02010148) as Whole-Time Director of the with Company for a term of three years commencing from 01.04.2018 to 31.03.2021 with a remuneration of Rs. 45,000 per month.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 12.

Save and except S. Balaji Venkateswarlu Whole-Time Director, being an appointee, Mr. Mohan Krishna Murthy Whole-Time Director, S. Murali Krishna Murthy, Managing Director, and Mr. S. Srinivasa Kumar, Whole-Time Director being his relatives none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

### I. GENERAL INFORMATION

|   |   |                            |                           |                           |
|---|---|----------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                            |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                           |                           |
| 4 | Financial performance based on given indications  |                            |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs ) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                    | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                      | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                           |                           |

### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details: Sri Balaji Venkateswarlu is aged about 49yrs, is an undergraduate and he is the Director of the company. He has an experience of 28yrs in Pharma Business. He looks after the marketing of pharmaceuticals and developed a good distribution network. |
| 2 | Past Remuneration: The remuneration drawn by S. Balaji Venkateswarlu (DIN: 02010148), Whole-Time Director is Rs. 45,000 per month.  |

## ORTIN LABORATORIES LIMITED

|   |  |
|---|--|
| 3 | Recognition or awards : Not Applicable   |
| 4 | Job Profile and his suitability:<br>Based on the contribution made by S. Balaji Venkateswarlu towards the Company, it is proposed to re-appoint him as the Whole-Time Director of the Company.   |
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.12 the remuneration to Mr. S. Balaji Venkateswarlu, Whole-Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.  |
| 6 | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):<br><br>Taking into consideration of the size of the Company, the profile of Mr. S. Balaji Venkateswarlu and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies. |
| 7 | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:<br><br>Besides the remuneration proposed, he is holding 1,57,827 Equity Shares of the Company.  |

### III. OTHER INFORMATION:

|   |   |
|---|---|
| 1 | Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.                           |
| 2 | Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.   |
| 3 | Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years. |

## ORTIN LABORATORIES LIMITED

### ITEM NO.13:

S. Srinivasa Kumar (DIN: 02010272) earlier was appointed as Whole-Time Director of the Company for a period of 3 years from 01.04.2015 to 31.03.2018 at the 28th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of S. Srinivasa Kumar (DIN: 02010272) as Whole-Time Director of the with Company for a term of three years commencing from 01.04.2018 to 31.03.2021 with a remuneration of Rs. 45,000 per month.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 13.

Save and except S. Srinivasa Kumar (DIN: 02010272) Whole-Time Director, being an appointee S. Balaji Venkateswarlu Whole-Time Director, Mr. Mohan Krishna Murthy Whole-Time Director and S. Murali Krishna Murthy, Managing Director being his relatives none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

### I. GENERAL INFORMATION

|   |   |                            |                           |                           |
|---|---|----------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                            |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                           |                           |
| 4 | Financial performance based on given indications  |                            |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs ) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                    | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                      | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                           |                           |

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## ORTIN LABORATORIES LIMITED

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### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details: Sri S.Srinivas Kumar is aged about 46yrs, is an undergraduate and he is the Director of the company. He has an experience of 23yrs in Pharma Business.  |
| 2 | Past Remuneration: The remuneration drawn by S. Srinivasa Kumar (DIN: 02010272), Whole-Time Director is Rs. 45,000 per month.   |
| 3 | Recognition or awards : Not Applicable  |
| 4 | Job Profile and his suitability:<br>Based on the contribution made by S. Srinivasa Kumar towards the Company, it is proposed to re-appoint him as the Whole-Time Director of the Company.   |
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.13 the remuneration to Mr. S. Srinivasa Kumar (DIN: 02010272), Whole-Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.  |
| 6 | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):<br><br>Taking into consideration of the size of the Company, the profile of Mr. S. Srinivasa Kumar (DIN: 02010272) and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies. |
| 7 | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:<br><br>Besides the remuneration proposed, he is holding 2,46,723 Equity Shares of the Company.   |

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## ORTIN LABORATORIES LIMITED

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### III. OTHER INFORMATION:

|   |   |
|---|---|
| 1 | Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.                           |
| 2 | Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.   |
| 3 | Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years. |

#### ITEM NO.14:

B. Satyanarayana Raju (DIN: 02697880) earlier was appointed as Whole-Time Director and CFO of the Company for a period of 3 years from 01.04.2015 to 31.03.2018 at the 28th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.02.2018, approved the re-appointment of B. Satyanarayana Raju (DIN: 02697880) as Whole-Time Director and CFO of the with Company for a term of one year commencing from 01.04.2018 to 31.03.2019 with a remuneration of Rs. 1,25,000 per month.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 14.

Save and except B. Satyanarayana Raju (DIN: 02697880) Whole-Time Director and CFO, being an appointee none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

## ORTIN LABORATORIES LIMITED

### I. GENERAL INFORMATION

|   |   |                            |                           |                           |
|---|---|----------------------------|---------------------------|---------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                           |                           |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 27.10.1986   |                            |                           |                           |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                           |                           |
| 4 | Financial performance based on given indications  |                            |                           |                           |
|   | Particulars   | 2017-18<br>(Rs. in lakhs ) | 2016-17<br>(Rs. in lakhs) | 2015-16<br>(Rs. in lakhs) |
|   | Turnover  | 8107.52                    | 6707.64                   | 6351.89                   |
|   | Net profit/loss after Tax   | 67.92                      | 50.32                     | 83.38                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                           |                           |

### II. INFORMATION ABOUT THE APPOINTEE:

|   |   |
|---|---|
| 1 | Background Details: Sri Bh Satyanarayana Raju is Director of the Company and aged about 68yrs. He retired from Govt. He has good experience in Administration and Finance.  |
| 2 | Past Remuneration: The remuneration drawn by B. Satyanarayana Raju (DIN: 02697880), Whole-Time Director is Rs. 1,25,000 per month.  |
| 3 | Recognition or awards : Not Applicable  |
| 4 | Job Profile and his suitability:<br>Based on the contribution made by B. Satyanarayana Raju towards the Company, it is proposed to re-appoint him as the Whole-Time Director of the Company.  |
| 5 | Remuneration proposed:<br>As set out in the resolutions for the item No.14 the remuneration to Mr. B. Satyanarayana Raju (DIN: 02697880), Whole-Time Director and CFO has the approval of the Nomination and Remuneration Committee and Board of Directors. |

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## ORTIN LABORATORIES LIMITED

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|   |   |
|---|---|
| 6 | <p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr. B. Satyanarayana Raju (DIN: 02697880) and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p> |
| 7 | <p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</p> <p>Besides the remuneration proposed, he is holding 496130 Equity Shares of the Company.</p>  |

### III. OTHER INFORMATION:

|   |  |
|---|--|
| 1 | <p>Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.</p>                           |
| 2 | <p>Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.</p>   |
| 3 | <p>Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.</p> |

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## ORTIN LABORATORIES LIMITED

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### ITEM NO. 15

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. KJU & Associates, Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2019 to conduct the audit of cost records and fixed their remuneration at Rs. 50,000/- (Rupees fifty thousand only) plus out of pocket expenses and applicable taxes etc.

As per the provisions of Section 148 of the Act read with the Companies Act, 2013 and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at resolution No.15 of the Notice for appointment and ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors / Key Managerial Personnel and their relatives of the Company are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of shares held by them.

**For and on behalf of the Board of  
For Ortin Laboratories Limited**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632**



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# ORTIN LABORATORIES LIMITED

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## BOARDS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 31st Board's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2018 has been as under:

(Rs. In Lakhs)

| Particulars                        | 2017-18 | 2016-2017 |
|------------------------------------|---------|-----------|
| Total Income                       | 8107.52 | 6707.64   |
| Total Expenditure                  | 8039.48 | 6594.58   |
| Profit Before Tax                  | 68.04   | 113.06    |
| Provision for Tax                  | 0.11    | 62.74     |
| Profit after Tax                   | 67.92   | 50.32     |
| Transfer to General Reserves       | -       | -         |
| Profit available for appropriation | 67.92   | 50.32     |
| Provision for Proposed Dividend    | -       | -         |
| Provision for Dividend Tax         | -       | -         |
| Balance Carried to Balance Sheet   | 67.92   | 50.32     |

### 2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 14.08.2018)

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

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## ORTIN LABORATORIES LIMITED

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### 4. **DIVIDEND:**

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### 5. **RESERVES:**

The Company has not carried any amount to the reserves.

### 6. **BOARD MEETINGS:**

The Board of Directors duly met 6 (Six) times on 30.05.2017, 31.08.2017, 14.09.2017, 14.12.2017, 22.12.2017 and 13.02.2018

### 7. **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received a declarations from Mr. J. R. K. Panduranga Rao, Mr. M. Tippayya, Mr. K. Pradyumna Teja, Mr. T Seshagiri and Mr. B. Gopal Reddy, and Mrs. T. Uma Sangeetha Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### 8. **DIRECTORS OR KMP APPOINTED OR RESIGNED.**

Mrs. Uma Sangeetha was appointed as additional director w.e.f. 27.04.2018. Mrs. Lakshmi Sravani Dasari, Non-Executive Director and Mr. M. Tippayya, Independent Director of the Company have resigned from the directorship of the Company with effective from 17.11.2017 and 30.07.2018 respectively. The Board places on record sincere its appreciation for the valuable services rendered by her during her tenure as Director.

Mr. S. Mohan Krishna Murthy and Mr. S. Balaji Venkateswarlu retire by rotation and being eligible offers himself for re-appointment.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment and Directors resigning are given as under:

## ORTIN LABORATORIES LIMITED

| Name of the Director         | Date of Birth & Qualification | Expertise in specific functional areas | Names of listed entities in which the person also holds the directorship and the membership of Committees of the board | No. of Shares held in the Company | Inter se relationship with any Director   |
|------------------------------|-------------------------------|--|--|-----------------------------------|---|
| Mr. S. Murali Krishna Murthy | 08.07.1959<br>B.SC            | Management                             | --   | 1,43,475                          | Related to Mr. S. Mohan Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S. Srinivas Kumar         |
| Mr. G. Venkata Ramana        | 18.08.1968<br>M.SC            | Administration                         | --   | 8,18,409                          | --  |
| Mr. S. Mohan Krishna Murthy  | 18.09.1952<br>S.S.C           | Accounts & Finance                     | --   | 35,816                            | Related to Mr. S. Murali Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S. Srinivas Kumar        |
| Mr. S. Balaji Venkateswarlu  | 07.04.1963<br>S.S.C           | Marketing                              | --   | 1,57,827                          | Related to Mr. S. Mohan Krishna Murthy, Mr. S. Murali Krishna Murthy and Mr. S. Srinivas Kumar        |
| Mr. S. Srinivas Kumar        | 01-07-1965<br>S.S.C           | Distribution network                   | --   | 2,46,723                          | Related to Mr. S. Murali Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S. Murali Krishna Murthy |

## ORTIN LABORATORIES LIMITED

|                             |                        |                             |    |          |    |
|-----------------------------|------------------------|-----------------------------|----|----------|----|
| Mr. B. Satya narayana Raju  | 25-05-1950<br>SLSC     | Administration and Finance. | -- | 4,96,130 | -- |
| Mr. J. R. K. Panduranga Rao | M.PHARMA               | Technical Advisor           | -- | --       | -- |
| Mr. K. Pradyumna Teja       | 06.08.1989<br>C.A      | Financial Advisor           | -- | --       | -- |
| Mr. T Seshagiri             | 18.08.1954<br>M.PHARMA | Technical Advisor           | -- | --       | -- |
| Mr. B. Gopal Reddy          | 26.01.1948<br>MBBS     | Technical Advisor           | -- | --       | -- |
| Mrs. Uma Sangeetha          | 14.02.1989<br>MBA      | Public Relations            | -- | --       | -- |

### 9. FAMILIARISATION PROGRAMMES:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

### 10. COMMITTEES OF THE BOARD:

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nomination and Remuneration Committee

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## ORTIN LABORATORIES LIMITED

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- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report.

### **11. VIGIL MECHANISM:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

### **12. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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## ORTIN LABORATORIES LIMITED

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**13. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

The Company does not have any subsidiaries/associates/Joint ventures

**14. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

During the year neither any company became its subsidiary associates/Joint ventures nor ceased to be its subsidiary associates/Joint ventures.

**15. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 annexed as a part of this Annual Report

**16. STATUTORY AUDITORS:**

The members of the company in accordance with section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. Sathuluri & Co., as Statutory Auditors of the company for a period of 5 years in the AGM held on 29.09.2017 to hold office up to the conclusion of 35th Annual General Meeting of the company to be held in the financial year 2021-2022 which is subject to ratification as per the provisions of Companies Act, 2013.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been omitted.

**17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditors u/s 143(12).

**18. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr. Vivek Surana, Practicing Company Secretary is annexed to this Report as an annexure.

**19. QUALIFICATIONS IN AUDIT REPORTS:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks except that the company does not have internal auditors.

The Board has noted the same and is making efforts to appoint Internal auditors for the Company and will appoint the same in due course of time.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

1. Research and Development (R&D) : NIL
2. Technology absorption, adoption and innovation : NIL

**C. Foreign Exchange Earnings and Out Go:**

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## ORTIN LABORATORIES LIMITED

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Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : NIL

### **21. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

### **22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

### **23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received noticed for inefficiency or inadequacy of such controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

### **24. INSURANCE:**

The properties and assets of your Company are adequately insured.

### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans, Guarantees or made any investments during the year under review which attracts provisions of Section 186 of the Companies act, 2013.

### **26. CREDIT & GUARANTEE FACILITIES:**

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company from Karnataka Bank Limited.



**27. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:**

Since the Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**28. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

Your Directors draw attention of the members to Note 2.28 to the financial statement which sets out related party disclosures.

**29. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is applicable to your Company. M/s. KJU & Associates are the Cost Auditors of your Company.

**30. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (S. Murali Krishna Murthy), Joint Managing Director (G. Venkata Ramana), Wholetime Directors (S. Mohan Krishna Murthy, S. Balaji Venkateswarulu, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) to the median remuneration of employees is 4.46:1, 16.35:1, 2.35:1, 4.46:1, 4.46:1 and 12.38:1 respectively.

**31. CORPORATE GOVERNANCE:**

A Separate section titled "Report on Corporate Governance" along with the Auditor's Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of this Annual Report

**32. SECRETARIAL STANDARDS**

The Company is in compliance with the applicable secretarial standards.

**33. DE-MERGER:**

The Board of Directors in its meeting held on 31.07.2017 approved the scheme of arrangement between Ortin laboratories limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) for transfer by way of Demerger of the API Intermediates Division of the Demerged Company (defined as demerged undertaking) as a going concern to the Resulting Company, and consequential restructure of its share capital.

The Demerged Company has presently 2 (two) Divisions namely Formulations Division and API Intermediates Division. The formulations division is being operated through the Unit I located at Plot No.275 & 278, I.D.A Pashamylaram, Medak Dist. Telangana and the API Intermediates division is being operated through the Unit II located at Sy. No. 300, Malkapur Village, Choutuppal Mandal, Nalgonda District, Telangana. With an objective of achieving operational efficiencies and streamlining its current structure, the Demerged Company proposes to Demerge the API Intermediates Division currently operating through the Unit II (to the Resulting Company and the Demerged Company shall continue to carry on the Formulations Division Business.

The Company has applied to NSE and BSE for the No Objection to the Scheme of Arrangement and the approval is awaited

**EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

**34. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary

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## ORTIN LABORATORIES LIMITED

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relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **35. CEO/ CFO Certification**

The Managing Director and CFO certification of the financial statements for the year 2017-18 is annexed in this Annual Report.

### **36. EMPLOYEE RELATIONS:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### **37. BOARD EVALUATION:**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

**The evaluation procedure followed by the company is as mentioned below:**

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees,

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## ORTIN LABORATORIES LIMITED

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effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.

- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarizing the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

### **38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace

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## ORTIN LABORATORIES LIMITED

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(Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints at the beginning of the year: Nil
- No. of complaints received : Nil
- No. of complaints disposed off : Nil

### 39. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, shareholders of the Company and other statutory authorities etc. for their continued support for the growth of the Company.

**For and on behalf of the Board of  
For Ortin Laboratories Limited**

Sd/-

**S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632**

Sd/-

**G. Venkata Ramana  
Joint Managing Director  
(DIN: 00031873)**

**Place: Hyderabad  
Date: 14.08.2018**

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## ORTIN LABORATORIES LIMITED

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### Certificate of Code of Conduct for the year 2017-18

The shareholders

#### **Ortin Laboratories Limited**

We, S. Murali Krishna Murthy, Managing Director and G. Venkata Ramana, Joint Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**For and on behalf of the Board of  
For Ortin Laboratories Limited**

|  |  |   |
|--|--|---|
| <b>Place: Hyderabad</b><br><b>Date: 14.08.2018</b> | <b>Sd/-</b><br><b>S. Murali Krishna Murthy</b><br><b>Managing Director</b><br><b>DIN: 00540632</b> | <b>Sd/-</b><br><b>G. Venkata Ramana</b><br><b>Joint Managing Director</b><br><b>(DIN: 00031873)</b> |
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# ORTIN LABORATORIES LIMITED

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## CORPORATE GOVERNANCE

Ortin Laboratories Limited is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Ortin Laboratories Limited's Corporate Governance policies ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz employees, investors, customers, regulators etc. The Company respects the inalienable rights of the shareholders to information on the performance of the Company. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2018. The Report is updated as on the date of the report wherever applicable.

## 1. BOARD OF DIRECTORS

### A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Managing Director and Joint managing Director. As on date of this report, the Board of Directors of the Company has 11 members (including six independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. None of the Independent Directors has any

## ORTIN LABORATORIES LIMITED

pecuniary or business relationship. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

| S<br>N<br>O | Name of Director             | Category of Directorship             | Number of Directorships in other Companies (excluding private companies) | Number of Board Committee memberships held in other Companies |          | Attendance Particulars |                        |          |
|-------------|------------------------------|--------------------------------------|--|---|----------|------------------------|------------------------|----------|
|             |                              |                                      |  | Member  | Chairman | Last AGM 29.09.2017    | Board meetings '17-18' |          |
|             |                              |                                      |  |   |          |                        | Held                   | Attended |
| 1           | Mr. S. Murali Krishna Murthy | Managing Director                    | 1  | -   | -        | Yes                    | 6                      | 4        |
| 2           | Mr. G. Venkata Ramana        | Joint Managing Director              | 5  | -   | -        | Yes                    | 6                      | 2        |
| 3           | Mr. S. Mohan Krishna Murthy  | Whole-Time Director                  | 1  | -   | -        | Yes                    | 6                      | 5        |
| 4           | Mr. S. Balaji Venkateswarlu  | Whole-Time Director                  | 1  | -   | -        | Yes                    | 6                      | 5        |
| 5           | Mr. S. Srinivas kumar        | Whole-Time Director                  | 1  | -   | -        | Yes                    | 6                      | 5        |
| 6           | Mr. Bh. Satyanarayana Raju   | Whole-Time Director Cum CFO          | 1  | -   | -        | Yes                    | 6                      | 5        |
| 7           | Mr. J. R. K. Panduranga Rao  | Non Executive & independent Director | -  | -   | -        | Yes                    | 6                      | 5        |
| 8           | *Mr. M. Tippayya             | Non Executive & independent Director | -  | -   | -        | Yes                    | 6                      | 5        |



## ORTIN LABORATORIES LIMITED

|    |                           |  |   |   |   |     |   |     |
|----|---------------------------|--|---|---|---|-----|---|-----|
| 9  | Mr. K. Pradyumna Teja     | Non Executive & and independent Director | - | - | - | Yes | 6 | 3   |
| 10 | Mr. T Seshagiri           | Non Executive & and independent Director | - | - | - | Yes | 6 | 1   |
| 11 | Dr. B. Gopal Reddy        | Non Executive & and independent Director | - | - | - | Yes | 6 | 4   |
| 12 | #Ms. Laxmi Sravani Dasari | Non Executive & and independent Director | 1 | - | - | Yes | 6 | NIL |
| 13 | ##Mrs. Uma Sangeetha      | Non Executive & and independent Director | - | - | - | -   | - | -   |

# Resigned w.e.f 17.11.2017

## Appointed w.e.f 27.04.2018

\* Resigned w.e.f 30.07.2018

Except Mr. S. Murali Krishna Murthy, Managing Director, Mr. S. Mohan Krishna Murthy, Whole-time Director, Mr. S. Balaji Venkateswarulu, Whole-time Director and Mr. S. Srinivas Kumar, Whole-time Director of the Company who are inter-se related, none of the Directors are inter-se related to each other.

### B. MEETINGS DURING THE YEAR

During the year, the Board of Directors duly met 6 (Six) times on 30.05.2017, 31.08.2017, 14.09.2017, 14.12.2017, 22.12.2017 and 13.02.2018.

### C. INDEPENDENT DIRECTORS' MEETING

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR

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## ORTIN LABORATORIES LIMITED

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Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2018 to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

### **D. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

### **2. AUDIT COMMITTEE (Constituted in terms of Sec 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015)**

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:

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## ORTIN LABORATORIES LIMITED

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- a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
  - Disclosure of contingent liabilities.
  - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.

### **B. COMPOSITION, MEETINGS & ATTENDANCE:**

There were four (4) Audit Committee Meetings held during the year on 30.05.2017, 14.09.2017, 14.12.2017 and 13.02.2018

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## ORTIN LABORATORIES LIMITED

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| Name                       | Designation | Category | No of Meetings held | No. of meeting attended |
|----------------------------|-------------|----------|---------------------|-------------------------|
| Mr. K. Pradyumna Teja      | Chairman    | NED(I)   | 4                   | 2                       |
| Mr. J.R.K. Pandu Ranga Rao | Member      | NED(I)   | 4                   | 4                       |
| Dr. B. Gopal Reddy         | Member      | NED(I)   | 4                   | 3                       |

**NED (I)** : Non Executive Independent Director

C. Previous Annual General Meeting of the Company was held on 29.09.2017 and Mr. K. Pradyumna Teja, Chairman of the Audit Committee for that period, attended previous AGM.

### **3. NOMINATION AND REMUNERATION COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations, 2015)**

The Committee comprises of three non-executive independent Directors as on date of this report

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.

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## ORTIN LABORATORIES LIMITED

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- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

### B. COMPOSITION OF THE COMMITTEE

| Name               | Designation | Category | No of Meetings held | No. of meeting attended |
|--------------------|-------------|----------|---------------------|-------------------------|
| Mr. T. Seshagiri   | Chairman    | NED(I)   | 1                   | 1                       |
| Mr. Pradyumna Teja | Member      | NED(I)   | 1                   | 1                       |
| Dr. B. Gopal Reddy | Member      | NED(I)   | 1                   | 1                       |

**NED (I)** : Non Executive Independent Director

### C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

### POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

#### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### 2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI ( Listing obligations and Disclosure Requirements) Regulations, 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1)

(b) of SEBI LODR Regulations, 2015)

**3. Policy:**

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

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## ORTIN LABORATORIES LIMITED

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3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **3.2 Criteria of independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The independent Director shall abide by the "code for independent Directors" as specified in Schedule IV to the companies Act, 2013.

### **3.3 Other directorships/ committee memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

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## ORTIN LABORATORIES LIMITED

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Remuneration policy for Directors, key managerial personnel and other employees:

**1. Scope:**

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

**2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

- 2.1 “Director” means a director appointed to the Board of the company.
- 2.2 “key managerial personnel” means
- (i) The Chief Executive Office or the managing director or the manager;
  - (ii) The company secretary;
  - (iii) The whole-time director;
  - (iv) The chief finance Officer; and
  - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act,2013 and Regulation 19 of SEBI LODR Regulations, 2015).

**3. Policy:**

- 3.1 Remuneration to Executive Director and key managerial personnel
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.



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## ORTIN LABORATORIES LIMITED

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- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retirement benefits
  - (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors
- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 3.3. Remuneration to other employees
- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

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**ORTIN LABORATORIES LIMITED**

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**D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2017-18 AND OTHER DISCLOSURES**

| Name of the Director         | Salary<br>(In Lakhs) P.A | Sitting<br>fees(Rs) | Number of shares<br>held |
|------------------------------|--------------------------|---------------------|--------------------------|
| Mr. S. Murali Krishna Murthy | 5.40                     | --                  | 143475                   |
| Mr. G. Venkata Ramana        | 19.81                    | --                  | 818409                   |
| Mr. S. Mohan Krishna Murthy  | 2.85                     | --                  | 35816                    |
| Mr. S. Balaji Venkateswarlu  | 5.40                     | --                  | 157827                   |
| Mr. S. Srinivas Kumar        | 5.40                     | --                  | 246723                   |
| Mr. B. Satyanarayana Raju    | 15.00                    | --                  | 496130                   |
| Mr. J. R. K. Panduranga Rao  | --                       | 0.05                | --                       |
| *Mr. M. Tippayya             | --                       | 0.05                | --                       |
| Mr. K. Pradyumna Teja        | --                       | --                  | --                       |
| Mr. T Seshagiri              | --                       | 0.01                | --                       |
| Mr. B. Gopal Reddy           | --                       | 0.04                | --                       |
| #Ms. Laxmi Sravani Dasari    | --                       | --                  | 87500                    |

# Resigned w.e.f. 17.11.2017

\* Resigned w.e.f 30.07.2018

**E. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;

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## ORTIN LABORATORIES LIMITED

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- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and
- 3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

#### **4. STAKEHOLDER'S RELATIONSHIP COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015)**

There were four (4) Stakeholder's Relationship Committee meetings were held during the year on 30.05.2017, 14.09.2017, 14.12.2017 and 13.02.2018

#### **A. COMPOSITION AND ATTENDANCE FOR MEETINGS**

| Name                       | Designation | Category | No of Meetings held | No. of meeting attended |
|----------------------------|-------------|----------|---------------------|-------------------------|
| Mr. J.R.K. Pandu Ranga Rao | Chairperson | NED(I)   | 4                   | 4                       |
| Mr. Pradyumna Teja         | Member      | NED(I)   | 4                   | 2                       |
| *Mr. Tippayya              | Member      | NED(I)   | 4                   | 4                       |
| Mr. B. Gopal Reddy         | Member      | NED(I)   | -                   | -                       |

**NED (I)** : Non Executive Independent Director

\* Resigned w.e.f 30.07.2018

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## ORTIN LABORATORIES LIMITED

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### B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Sharvari Swapnil Shinde Company Secretary, is the Company Secretary and Compliance officer of the Company.

### C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2017-18

During the financial year 2017-18, no complaints were received from the shareholders.

Ms. Sharvari Swapnil Shinde, Company Secretary & Compliance officer, is the Secretary of all Board Committees.

### 5) RISK MANAGEMENT COMMITTEE

#### A.) COMPOSITION:

The Details of composition of the Committee are given below:

| Name                        | Designation | Category |
|-----------------------------|-------------|----------|
| Dr. B. Gopal Reddy          | Chairperson | NED(I)   |
| Mr. K. Pradyumna teja       | Member      | NED(I)   |
| Mr. S. Mohan Krishna Murthy | Member      | ED       |

**NED (I)** : Non Executive Independent Director

**ED** : Executive Director

#### B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

## ORTIN LABORATORIES LIMITED

### 6. GENERAL BODY MEETINGS

#### A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

| Financial Year | Date       | Time       | Location   | Special / Ordinary Resolution  |
|----------------|------------|------------|--|--|
| 2016-17        | 29.09.2017 | 11:00 a.m. | D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad, 500029, Telangana | <ol style="list-style-type: none"> <li>1. Revision in the remuneration of Mr. G. Venkata Ramana, Joint Managing Director of the company</li> <li>2. Revision in the Remueration of Mr. Bh. Satyanarayana Raju, Whole-Time Director and CFO of the company</li> </ol>   |
| 2015-16        | 30.09.2016 | 11:00 a.m. | D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad, 500029, Telangana | <ol style="list-style-type: none"> <li>1. Re-appointment of Mr. G. Venkata Ramana (DIN 00031873) as Joint Managing Director of the company</li> </ol>  |
| 2014-15        | 30.09.2015 | 11:00 a.m. | Fat. No. 502,Palem Towers, Barkatpura, Hyderabad-500027  | <ol style="list-style-type: none"> <li>1. Appointment of Ms. D. Laxmi Sravani as Director</li> <li>2. Re-Appointment of S. Mohan Krishna Murthy as Whole-Time Director</li> <li>3.Re-Appointment of Mr. Balaji Venkateswarlu Sanka as Whole-Time Director</li> <li>4. Re-Appointment of Mr. Srinivas Kumar Sanka as Whole-Time Director</li> <li>5. Re-Appointment of Mr. Satya Narayana Raju Bupathiraju Whole time Director cum CFO</li> <li>6. Amendment of Articles</li> </ol> |

No Extra-ordinary General Meetings were held during the year 2017-18.

**7. DISCLOSURES**

**A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract / arrangement/ transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

Transactions with the Related Parties as required under Accounting Standard-18 are disclosed in Note No.2.28 of the standalone financial statements forming part of this Annual Report.

**B. COMPLIANCES:**

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

**C. WHISTLE BLOWER POLICY (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**D. CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

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## ORTIN LABORATORIES LIMITED

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### Declaration on Code of Conduct for the year 2017-18

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2018 as envisaged in Regulation 26(3) of the Listing Regulations.

Place: Hyderabad  
Date: 14.08.2018

S. Murali Krishna Murthy  
Managing Director

### **E. Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

### **F. Non-Executive Directors' Compensation and Disclosures**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **G. CEO/ CFO Certification**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2017-18 is provided elsewhere in this Annual Report.

### **H. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. As there is no Chairman in the Company the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.

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## ORTIN LABORATORIES LIMITED

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- ii. The financial Statements are free from any Audit Qualifications.

### 8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at [www.ortinlabsindia.com](http://www.ortinlabsindia.com). As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

### 9. General Shareholder Information

The following information would be useful to the shareholders:

#### A) THIRTY FIRST ANNUAL GENERAL MEETING

Date and Time: 29th September 2018, at 11.30 A.M

Venue: D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park,  
Barkatpura, Hyderabad TG 500027 IN

#### B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2017-2018

Financial calendar: 2018-2019

Adoption of Quarterly results for the Quarter ending

- 30th June, 2018 : on or before 14.08.2018
- 30th September, 2018 : on or before 14.11.2018
- 31st December, 2018 : on or before 14.02.2019
- 31st March, 2019 : on or before 30.05.2019

Annual General Meeting (Next year) : August/September, 2019

#### C) BOOK CLOSURE DATE

24.09.2018 to 29.09.2018 (both days inclusive)

#### D) LISTING ON STOCK EXCHANGES :

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd. The Company has paid the listing fees for the year 2018-2019 to both the Stock Exchanges.



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## ORTIN LABORATORIES LIMITED

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### E) STOCK CODE

| EXCHANGE                         | CODE       |
|----------------------------------|------------|
| National Stock Exchange of India | ORTINLABSS |
| BSE Ltd                          | 539287     |

### F) ELECTRONIC CONNECTIVITY

Demat ISIN number: INE749B01012

NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel

Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

25th Floor, A Wing, Marathon Futurex,

Mafatlal Mills Compound, NM Joshi Marg,

Lower Parel (E), Mumbai - 400 013.

### G) MARKET PRICE DATA

The monthly high / low prices of shares of the Company from April, 2017 to March, 2018 at BSE and NSE:

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**ORTIN LABORATORIES LIMITED**

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| MONTH          | BSE      |         | NSE      |         |
|----------------|----------|---------|----------|---------|
|                | High(Rs) | Low(Rs) | High(Rs) | Low(Rs) |
| April 2017     | 26.50    | 18.55   | 26.65    | 18.60   |
| May 2017       | 20.50    | 17.10   | 20.60    | 17.05   |
| June 2017      | 18.70    | 15.65   | 18.90    | 15.10   |
| July 2017      | 20.00    | 16.05   | 20.10    | 15.30   |
| August 2017    | 18.15    | 14.90   | 17.95    | 14.75   |
| September 2017 | 21.70    | 16.05   | 19.85    | 15.90   |
| October 2017   | 18.40    | 15.90   | 18.40    | 15.10   |
| November 2017  | 21.55    | 16.00   | 21.85    | 16.10   |
| December 2017  | 34.40    | 18.50   | 34.40    | 18.05   |
| January 2018   | 32.00    | 20.00   | 32.20    | 19.95   |
| February 2018  | 24.60    | 18.45   | 24.70    | 18.25   |
| March 2018     | 21.20    | 16.20   | 21.40    | 16.50   |

**H) REGISTRARS AND TRANSFER AGENTS**

M/s Karvy Computer Shares Pvt. Limited,  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500 032  
Tel: 040-67161500 Fax 040-23001153

**I) SHARE TRANSFER SYSTEM**

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

## ORTIN LABORATORIES LIMITED

### J) Shareholding pattern as on 31.03.2018

| Category code | Category of Shareholder                                    | Total Number of shares | % of share holding | Shares pledged or otherwise encumbered |                 |
|---------------|--|------------------------|--------------------|--|-----------------|
|               |  |                        |                    | Number of Shares                       | As a percentage |
| (A)           | Shareholding of Promoter and Promoter Group                |                        |                    |  |                 |
| (1)           | Indian   |                        |                    |  |                 |
| a.            | Individuals/Hindu Undivided Family                         | 60,38,348              | 35.64              | --                                     | --              |
| b.            | Central Government/State Government(s)                     | --                     | --                 | --                                     | --              |
| c.            | Bodies Corporate   | --                     | --                 | --                                     | --              |
| d.            | Financial Institutions/Banks                               | --                     | --                 | --                                     | --              |
|               | Others :-  | --                     | --                 | --                                     | --              |
| e.            | Mutual Funds   | --                     | --                 | --                                     | --              |
| f.            | Trusts   | --                     | --                 | --                                     | --              |
|               | Sub Total (A)(1)   | 60,38,348              | 35.64              | --                                     | --              |
| (2)           | Foreign  |                        |                    |  |                 |
| a.            | Individuals (Non Resident Individuals/Foreign Individuals) | --                     | --                 | --                                     | --              |
| b.            | Bodies Corporate   | --                     | --                 | --                                     | --              |
| c.            | Institutions   | --                     | --                 | --                                     | --              |
|               | Others :-  | --                     | --                 | --                                     | --              |
| d.            | Overseas Corporate Bodies                                  | --                     | --                 | --                                     | --              |
|               | Sub Total (A)(2)   | --                     | --                 | --                                     | --              |
|               | Total Shareholding of Promoter and Promoter Group          | 60,38,348              | 35.64              | --                                     | --              |
|               | (A)=(A)(1)+(A)(2)  | 60,38,348              | 35.64              | --                                     | --              |
| (B)           | Public Shareholding  |                        |                    |  |                 |
| (1)           | Institutions   |                        |                    | --                                     | --              |
| a.            | Mutual Funds/UTI   | 0                      | 0                  | --                                     | --              |
| b.            | Financial Institutions/Banks                               | 4,967                  | 0.03               | --                                     | --              |
| c.            | Central Government/State Government(s)                     | 0                      | 0                  | --                                     | --              |
| d.            | Venture Capital Funds                                      | 0                      | 0                  | --                                     | --              |
| e.            | Insurance Companies  | 0                      | 0                  | --                                     | --              |
| f.            | Foreign Institutional Investors                            | 0                      | 0                  | --                                     | --              |
| g.            | Foreign Venture Capital Investors                          | 0                      | 0                  | --                                     | --              |
| h.            | Foreign Companies  | 0                      | 0                  | --                                     | --              |
|               | Sub Total (B)(1)   |                        |                    | --                                     | --              |

## ORTIN LABORATORIES LIMITED

|     |   |                    |            |    |    |
|-----|---|--------------------|------------|----|----|
| (2) | Non-Institutions  |                    |            | -- | -- |
| a.  | Bodies Corporate  | 7,62,209           | 4.50       | -- | -- |
| b.  | Individuals   |                    |            | -- | -- |
|     | i)Individual shareholders holding nominal share capital upto Rs.2 lakh          | 55,49,898          | 32.76      | -- | -- |
|     | ii)Individual shareholders holding nominal share capital in excess of Rs.2 lakh | 42,10,382          | 24.85      | -- | -- |
| c.  | Any Others : -  |                    |            | -- | -- |
|     | i )Non Resident Individuals   | 1,76,039           | 1.04       | -- | -- |
|     | ii)Overseas Corporate Bodies  | 0                  | 0          | -- | -- |
|     | iii)Trusts  | 0                  | 0          | -- | -- |
|     | iv)Employees  | 0                  | 0          | -- | -- |
|     | v)Clearing Members  | 20,650             | 0.12       | -- | -- |
|     | vi)Foreign Nationals  | 0                  | 0          | -- | -- |
|     | vii) NBFCs registered with RBI  | 1,77,907           | 1.05       |    |    |
|     | Sub Total (B)(2)  | 1,08,97,085        | 64.33      | -- | -- |
|     | Total Public Shareholding (B)=(B)(1)+(B)(2)                                     | 1,08,97,085        | 64.33      | -- | -- |
|     | Total (A)+(B)   | <b>1,69,40,400</b> | <b>100</b> | -- | -- |
| (C) | Shares held by Custodians and against Depository Receipts have been Issued      | 0                  | 0          | -- | -- |
|     | Grand Total (A)+(B)+(C)   | <b>1,69,40,400</b> | <b>100</b> | -- | -- |

### K) Distribution of Shareholding as on 31.03.2018

| SL. NO. | CATEGORY       | No of Shareholders | % of Total Shareholders | No of Shares       | % of Total Shareholding |
|---------|----------------|--------------------|-------------------------|--------------------|-------------------------|
| 1       | 1 - 5000       | 4417               | 65.30                   | 870128             | 5.14                    |
| 2       | 5001 - 10000   | 1089               | 16.10                   | 969598             | 5.72                    |
| 3       | 10001 - 20000  | 559                | 8.26                    | 905754             | 5.35                    |
| 4       | 20001 - 30000  | 226                | 3.34                    | 590758             | 3.49                    |
| 5       | 30001 - 40000  | 95                 | 1.40                    | 351194             | 2.07                    |
| 6       | 40001 - 50000  | 101                | 1.49                    | 488228             | 2.88                    |
| 7       | 50001 - 100000 | 134                | 1.98                    | 975125             | 5.76                    |
| 8       | 100001 & Above | 143                | 2.11                    | 11789615           | 69.59                   |
|         | <b>Total</b>   | <b>6764</b>        |                         | <b>1,69,40,400</b> | <b>100</b>              |

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## ORTIN LABORATORIES LIMITED

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### L) DEMATERIALISATION & LIQUIDITY OF SHARES

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE749B01012. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited and NSE. Hence have good liquidity.

| <b>Particulars</b> | <b>No. of Shares</b> | <b>% Share Capital</b> |
|--------------------|----------------------|------------------------|
| NSDL               | 1,21,42,278          | 71.68                  |
| CDSL               | 46,07,478            | 27.20                  |
| PHYSICAL           | 1,90,644             | 1.12                   |
| Total              | 1,69,40,400          | 100                    |

### M) Address for Correspondence

Mrs. Sharvari Swapnil Shinde  
Company Secretary & Compliance Officer  
D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027

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## ORTIN LABORATORIES LIMITED

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### CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To

The Board of Directors

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2018 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board  
For Ortin Laboratories Limited**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
S. Murali Krishna Murthy  
Managing Director**

**Sd/-  
Mr. B. Satyanarayana Raju  
CFO**

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## ORTIN LABORATORIES LIMITED

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### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Ortin Laboratories Limited

We have examined the Compliance with conditions of Corporate Governance of Ortin Laboratories Limited for the year ended 31<sup>st</sup> March, 2018 as stipulated in Regulation 34(3) read with Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered

Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Sathuluri & Co.,  
Chartered Accountants**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
S.S. Prakash  
Proprietor  
M. NO. 202710**

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## ORTIN LABORATORIES LIMITED

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### DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

| Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year. | No. of shareholders who approached the company for transfer of shares from suspense account during the year. | No. of shareholders to whom shares were transferred from suspense account during the year. | Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year. |
|--|--|--|--|
| NIL  | NIL  | NIL  | NIL  |

**\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.**



**MANAGEMENT'S DISCUSSION & ANALYSIS REPORT**

**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Pharmaceutical industry is one of the world's fastest growing industries, and remains one of the biggest contributors to world economy. The Indian pharma industry is on a good growth path and is likely to be in the **top 10 global markets in value term by 2020**, according to the PwC – CII report titled “India Pharma Inc: Gearing up for the next level of growth”.

High burden of disease, good economic growth leading to higher disposable incomes, improvements in healthcare infrastructure and improved healthcare financing are driving growth in the domestic market, the report highlighted.

The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain this robust growth rate till 2020, companies will have to rethink their business strategy. They will have to adopt new business models and think of innovative ideas to service their evolving customers faster and better.

**OPPORTUNITIES AND THREATS:**

Increasing number of global acquisitions have been made in the recent past by Indian companies for strategic objectives like market entry, technological or manufacturing expertise and distribution facilities. The global market continues to offer these opportunities for domestic companies looking to expand their international presence

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

During the year under review, the Company has recorded revenue of Rs.8107.52 Lakshs and made a profit of Rs. 67.92 Lakhs against revenue of Rs. 6707.64 Lakhs and net profit of Rs. 50.32 Lakhs in the previous financial year 2016-17.

**OUTLOOK:**

The outlook for emerging market economies is expected to broadly improve, though volatility in capital flow will remain a challenge.

The pharmacy sector in India is highly regulated, yet the sector suffers from circulation of sub standard and counterfeit drugs which hampers the retail segment of the business. Measures are being taken by the pharmacy regulatory bodies of the country to control the menace as it hampers the

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## ORTIN LABORATORIES LIMITED

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revenue earning drastically. The government is also taking major initiatives to provide medicines at subsidized rates and distribution of medicines in the rural belt.

The pharmacy retail industry in India operates predominantly in the unorganized format and is currently having approximately 20 major players operating in organized format. However, most organized players are operative regionally and are far from having a pan India presence. A variety of value added services are being incorporated by the organized players to attract a larger market share and initiatives are being taken to engage customers in brand loyalty.

### **RISKS AND CONCERNS:**

While the industry is seeing amazing growth, there is increasing focus on associated risks such as high compliance standards, government reform and pricing pressures, expiration of key drug patents, marketing practices, mergers and acquisitions, increasing litigations, and supply chain management.

Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritize, manage/mitigate, monitor and communicate the risk across the county.

Senior management personnel meet at regular intervals to identify various risks, assess, and prioritize the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks. The company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee on a quarterly basis, review the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies, It advises the board on matters of significant concerns for redressal

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness.

The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures and ensure compliance to policies, plans and

statutory requirements.

The internal control system of the company is also reviewed by the Audit Committee periodically. The Management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review, the Company has recorded revenue of Rs.8107.52 Lakhs and made a profit of Rs. 67.92 Lakhs against revenue of Rs. 6707.64 Lakhs and net profit of Rs. 50.32 Lakhs in the previous financial year 2016-17.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

During the year under review the company has taken HR initiatives to train and develop talent pool. The company has also taken up a root cause analysis on bringing down the attrition rates. In order to improve the performance of management and to scale up the business operations, the company has recruited experienced personnel at senior level apart from strengthening other departments with competent people.

**2. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

**CAUTIONARY STATEMENTS:**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

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## ORTIN LABORATORIES LIMITED

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FORM MR-3  
SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

To,  
The Members  
Ortin Laboratories Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ortin Laboratories Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Book, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2017 and ended 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, Minutes Book, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> of March, 2018 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI),

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## ORTIN LABORATORIES LIMITED

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Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2017-18:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com)**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Karvy Computershare Private Limited as its Share Transfer Agent.**
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/proposed to delist its equity shares during the year under review.**
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/proposed to buy-back any of its securities during the year**

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## ORTIN LABORATORIES LIMITED

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**under review.**

**ix. Other applicable laws include the following:**

- a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
- b. Drugs and Cosmetics Rules, 1945
- c. Pharmacy Act, 1948
- d. Narcotic Drugs and Psychotropic Substances Act, 1985
- e. Patents Act, 1970
- f. Essential Commodities Act, 1995
- g. National Pharmaceutical Policy, 2012
- h. Labour Laws (wages, bonus, provident fund, gratuity etc)
- i. Environment Protection Act, 1986
- j. The Payment of Gratuity Act, 1972
- k. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- l. Employees State Insurance Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meeting of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

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## ORTIN LABORATORIES LIMITED

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- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) **As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.**

**We further report that:**

- The Company has a CFO, Mr. B Satyanarayana Raju and a Company Secretary, Ms. Sharvari Swapnil Shinde
- The Company has not appointed internal auditor.
- The website of the Company contains policies as specified by SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items

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## ORTIN LABORATORIES LIMITED

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before the meeting and meaningful participation at the meeting.

- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Vivek Surana & Associates**

**Place: Hyderabad**  
**Date: 14.08.2018**

**Sd/-**  
**Vivek Surana**  
**Proprietor**  
**C.P.No: 12901, M.No. 24531**



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## ORTIN LABORATORIES LIMITED

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### Annexure A

To  
The Members of  
Ortin Laboratories Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Vivek Surana & Associates**

**Place: Hyderabad**  
**Date: 14.08.2018**

**Sd/-**  
**Vivek Surana**  
**Proprietor**  
**C.P.No: 12901, M.No. 24531**

# ORTIN LABORATORIES LIMITED

## MGT 9

### Extract of Annual Return

**As on the Financial Year 31.03.2018**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

#### I. REGISTRATION AND OTHER DETAILS:

|      |   |  |
|------|---|--|
| i.   | CIN   | L24110TG1986PLC006885  |
| ii.  | Registration Date   | 27.10.1986   |
| iii. | Name of the Company   | Ortin Laboratories Ltd.  |
| iv.  | Category / Sub-Category of the Company                                    | Company limited by shares/ Non-Government Company  |
| v.   | Address of the Registered office and contact details                      | D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana  |
| vi.  | Whether listed company Yes / No   | Yes  |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot No. 31-32,<br>Gachibowli, Financial District, Nanakramguda, Hyderabad-<br>500 032<br>Tel: 040-67161500 Fax 040-23001153 |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

| Sl. No. | Name and Description of main products /services  | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Lopinavir CDI (THP) (2S,3S,5S)-2 Amino-3-hydroxy-5-(1-tetra hydro pyrimid-2-only)-3-methyl butanoyl) amino-1,6-diphenyl hexane-S-pyro glutamic acid salt (THP) | 2100                              | 5.32                               |
| 2       | (2S)-3-Methyl-2-((methyl-2-((methyl-(2-(1-methyl ethyl) thiazole-4-yl) methyl)carbonyl) amino)butanoic acid (MTV Lithium Salt)                                 | 2100                              | 4.46                               |
| 3       | (2S,3S,5S)-2-Amino-3-hydroxy-5-(tert-butyloxy carbonyl) amino-1,6-diphenyl hexane hemi succinic acid salt (OR) BDH Succinic acid salt                          | 2100                              | 4.28                               |

## ORTIN LABORATORIES LIMITED

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-                      |   |          |         |                   |   |                  |                    |                   |                         |
|--|---|----------|---------|-------------------|---|------------------|--------------------|-------------------|-------------------------|
| S.No.  | Name and Address of the Company                 | CIN/GLN  |         |                   | Holding/Subsidiary /Associate             | % of shares held | Applicable Section |                   |                         |
| The Company does not have any subsidiaries.  |   |          |         |                   |   |                  |                    |                   |                         |
| IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) |   |          |         |                   |   |                  |                    |                   |                         |
| i) <i>Category-wise Share Holding:-</i>  |   |          |         |                   |   |                  |                    |                   |                         |
| Category of Shareholders   | No. of Shares held at the beginning of the year |          |         |                   | No. of Shares held at the end of the year |                  |                    |                   | %Change during the year |
|  | Demat   | Physical | Total   | % of Total Shares | Demat                                     | Physical         | Total              | % of Total Shares |                         |
| <b>A. Promoters</b>  |   |          |         |                   |   |                  |                    |                   |                         |
| <b>(1) Indian</b>  |   |          |         |                   |   |                  |                    |                   |                         |
| Individual/ HUF  | 6038348   | --       | 6038348 | 35.64             | 6038348                                   | --               | 6038348            | 35.64             | --                      |
| Central Govt.  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| State Govt. (s)  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| Bodies Corp.   | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| Banks / FI   | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| Any Other....  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| <b>Sub-total (A) (1) :-</b>  | 6038348   | --       | 6038348 | 35.64             | 6038348                                   | --               | 6038348            | 35.64             | --                      |
| <b>(2) Foreign</b>   |   |          |         |                   |   |                  |                    |                   |                         |
| a) NRIs - Individuals  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| b) Other – Individuals   | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| c) Bodies Corp.  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| d) Banks / FI  | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| e) Any Other....   | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| <b>Sub-total (A) (2):-</b>   | --  | --       | --      | --                | --  | --               | --                 | --                | --                      |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                              | 6038348   | --       | 6038348 | 35.64             | 6038348                                   | --               | 6038348            | 35.64             | --                      |
|  |   |          |         |                   |   |                  |                    |                   |                         |

## ORTIN LABORATORIES LIMITED

| <b>B. Public Shareholding</b>   |         |        |         |       |         |        |         |       |        |
|---|---------|--------|---------|-------|---------|--------|---------|-------|--------|
| <b>1. Institutions</b>  |         |        |         |       |         |        |         |       |        |
| a) Mutual Funds   | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| b) Banks / FI   | --      | --     | --      | --    | 4967    | --     | 4967    | 0.03  | --     |
| c) Central Govt   | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| d) State Govt(s)  | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| e) Venture Capital Funds  | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| f) Insurance Companies  | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| g) FIs  | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| h) Foreign Venture Capital Fund   | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| i) Others (specify)   | --      | --     | --      | --    | --      | --     | --      | --    | --     |
| <b>2. Non Institutions</b>  |         |        |         |       |         |        |         |       |        |
| a) Bodies Corp.   |         |        |         |       |         |        |         |       |        |
| i) Indian   | 924404  | 1800   | 926204  | 5.47  | 760409  | 1800   | 762209  | 4.50  | (0.97) |
| ii) Overseas  | --      | --     | --      | --    | --      | --     | --      | --    |        |
| b) Individuals  |         |        |         |       |         |        |         |       |        |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh       | 4082693 | 156444 | 4239137 | 25.02 | 3834004 | 151044 | 3985048 | 23.52 | (1.50) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh | 5311625 | 36900  | 5348525 | 31.57 | 5737432 | 37800  | 5775232 | 34.09 | 2.52   |
| c) NBFC registered with RBI   | 156607  | -      | 156607  | 0.92  | 177907  | --     | 177907  | 1.05  | 0.13   |
| 1. NRI  | 203561  | -      | 203561  | 1.20  | 176039  | --     | 176039  | 1.04  | (0.16) |
| 2. Clearing Members   | 28018   | -      | 28018   | 0.17  | 20650   | --     | 20650   | 0.12  | (0.05) |

## ORTIN LABORATORIES LIMITED

|  |              |            |              |       |                |        |          |       |    |
|--|--------------|------------|--------------|-------|----------------|--------|----------|-------|----|
| Sub-total (B)(2)-<br>Total Public<br>Shareholding<br>(B)=(B)(1)+(B)(2) | 1070<br>6908 | 19514<br>4 | 1090205<br>2 | 64.36 | 107,11,4<br>08 | 190644 | 10902052 | 64.36 | -- |
| C. Shares held<br>by Custodian for<br>GDRs & ADRs                      | --           | --         | --           | --    | --             | --     | --       | --    | -- |
| Grand Total<br>(A+B+C)   | 1674<br>5256 | 19514<br>4 | 1694040<br>0 | 100   | 1674975<br>6   | 190644 | 16940400 | 100   | -- |

**(ii) Shareholding of Promoters**

| Sl. No | Shareholder's Name             | No. of Shares held at the beginning of the year |                                  |  | No. of Shares held at the end of the year |                                  |  | %Change during the year |
|--------|--------------------------------|---|----------------------------------|--|---|----------------------------------|--|-------------------------|
|        |                                | Total No. of shares                             | % of Total Shares of the company | % of shares encumbered to total shares | Total No. of shares                       | % of Total Shares of the company | % of shares encumbered to total shares |                         |
| 1.     | Venkata Rama Gaddam            | 826168  | 4.88                             | --                                     | 826168                                    | 4.88                             | --                                     | --                      |
| 2.     | VenkataRaman aGaddam           | 898470  | 5.30                             | --                                     | 898470                                    | 5.30                             | --                                     | --                      |
| 3.     | A PrabhakarRaju                | 616933  | 3.64                             | --                                     | 616933                                    | 3.64                             | --                                     | --                      |
| 4.     | Satyanarayana RajuBhupathiraju | 496130  | 2.93                             | --                                     | 496130                                    | 2.93                             | --                                     | --                      |
| 5.     | Alluri Maithili                | 323310  | 1.91                             | --                                     | 323310                                    | 1.91                             | --                                     | --                      |
| 6.     | AlluriAnanthaLaxmi             | 319022  | 1.88                             | --                                     | 319022                                    | 1.88                             | --                                     | --                      |
| 7.     | A RangaRaju                    | 302775  | 1.79                             | --                                     | 302775                                    | 1.79                             | --                                     | --                      |
| 8.     | A SrinivasaRaju                | 392634  | 2.32                             | --                                     | 392634                                    | 2.32                             | --                                     | --                      |
| 9.     | SankaVenkata Ratnamma          | 192389  | 1.14                             | --                                     | 192389                                    | 1.14                             | --                                     | --                      |
| 10     | SankaSrinivas Kumar            | 246723  | 1.46                             | --                                     | 246723                                    | 1.46                             | --                                     | --                      |

## ORTIN LABORATORIES LIMITED

|    |                                |        |      |    |        |      |    |    |
|----|--------------------------------|--------|------|----|--------|------|----|----|
| 11 | SankaMurali<br>Krishna Murthy  | 143375 | 0.85 | -- | 143475 | 0.85 | -- | -- |
| 12 | SankaBalajiVe<br>nkateswarlu   | 157827 | 0.93 | -- | 157827 | 0.93 | -- | -- |
| 13 | SankaVenkata<br>Sujatha        | 122800 | 0.72 | -- | 122800 | 0.72 | -- | -- |
| 14 | SankaSarath<br>Kumar           | 120200 | 0.71 | -- | 120200 | 0.71 | -- | -- |
| 15 | SankaHemaKu<br>mari            | 97700  | 0.58 | -- | 97700  | 0.58 | -- | -- |
| 16 | SankaVenkata<br>Subbamma       | 101250 | 0.60 | -- | 101250 | 0.60 | -- | -- |
| 17 | Lakshmi<br>SravaniDasari .     | 87500  | 0.52 | -- | 87500  | 0.52 | -- | -- |
| 18 | Sanka Naga<br>Jyothi .         | 90290  | 0.53 | -- | 90290  | 0.53 | -- | -- |
| 19 | SankaSatya<br>Praveen<br>Kumar | 79316  | 0.47 | -- | 79316  | 0.47 | -- | -- |
| 20 | Sanka Mohan<br>Krishna Murthy  | 35816  | 0.21 | -- | 35816  | 0.21 | -- | -- |
| 21 | SankaTandav<br>Krishna         | 85650  | 0.51 | -- | 85650  | 0.51 | -- | -- |
| 22 | Krishna<br>KarthikSanka .      | 60000  | 0.35 | -- | 60000  | 0.35 | -- | -- |
| 23 | Sanka Ravi<br>Sankar           | 85000  | 0.50 | -- | 85000  | 0.50 | -- | -- |
| 24 | GaddamSriniva<br>saRao         | 69680  | 0.41 | -- | 69680  | 0.41 | -- | -- |
| 25 | GaddamBalaji                   | 48180  | 0.28 | -- | 48180  | 0.28 | -- | -- |
| 26 | Sanka<br>Rajeshwari            | 39110  | 0.23 | -- | 39110  | 0.23 | -- | -- |
| 27 | S Pandari<br>Krishna Murthy    | 100    | 0.00 | -- | --     | --   | -- | -- |

## ORTIN LABORATORIES LIMITED

| <b>(iii) Change in Promoters' Shareholding ( please specify, if there is no change):</b> |  |   |                                  |  |                                  |
|--|--|---|----------------------------------|--|----------------------------------|
| Sl. No.  | Shareholder's Name   | Shareholding at the beginning of the year |                                  | Cumulative Share holding during the year |                                  |
|  |  | No. of Shares                             | % of total shares of the company | No. of shares                            | % of total shares of the company |
| 1.   | S. Murali Krishna Murthy   |   |                                  |  |                                  |
|  | At the beginning of the year   | 1,43,375                                  | 0.85                             | --                                       | --                               |
|  | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease | 100                                       | 0.00                             | --                                       | --                               |
|  | At the End of the year   | --  | --                               | 1,43,475                                 | 0.85s                            |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Shareholder Name      | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year |                                  |
|---------|-----------------------|---|----------------------------------|------------|------------------------------------|--------|---|----------------------------------|
|         |                       | No. of Shares                             | % of total shares of The company |            |                                    |        | No. of Shares                           | % of total shares of the company |
| 1       | RAJESH PODDAR         | 794724                                    | 4.69                             | --         | --                                 | --     | 794724                                  | 4.69                             |
| 2       | V VARAPRASAD A RAO    | 212953                                    | 1.26                             | --         | --                                 | --     | 212953                                  | 1.26                             |
|         |                       |   |                                  | 03.11.2017 | 100                                | Sale   | 212853                                  | 1.26                             |
| 3       | SUGGULA SRINIVASA RAO | 204000                                    | 1.20                             | --         | --                                 | --     | 204000                                  | 1.20                             |
| 4       | DASARI BHUVANESWARI   | 169000                                    | 1.00                             | --         | --                                 | --     | 169000                                  | 1.00                             |

## ORTIN LABORATORIES LIMITED

|    |                              |        |      |    |    |    |        |      |
|----|------------------------------|--------|------|----|----|----|--------|------|
| 5  | SHILPI DEWAN                 | 160000 | 0.94 | -- | -- | -- | 160000 | 0.94 |
| 6  | SRINIDHI INFIN LIMITED       | 156107 | 0.92 | -- | -- | -- | 156107 | 0.92 |
| 7  | GAMINI SOMA SUBBA LAKSHMI    | 150394 | 0.89 | -- | -- | -- | 150394 | 0.89 |
| 8  | CHAKKA MADHUSUDHA NA GUPTA   | 149072 | 0.88 | -- | -- | -- | 149072 | 0.88 |
| 9  | DASARI VENKATA PADMA SUJATHA | 144000 | 0.85 | -- | -- | -- | 144000 | 0.85 |
| 10 | PERLA SRIDHAR                | 142050 | 0.84 | -- | -- | -- | 142050 | 0.84 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | For Each of the Directors and KMP  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| 1.      | Mr. S. Murali Krishna Murthy   |   |                                  |   |                                  |
|         | At the beginning of the year   | 143375                                    | 0.85                             | 143375                                  | 0.85                             |
|         | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease | 100                                       | 0.00                             | 143475                                  | 0.85                             |
|         | At the End of the year   | 143475                                    | 0.85                             | 143475                                  | 0.85                             |
|         |  |   |                                  |   |                                  |



## ORTIN LABORATORIES LIMITED

|           |  |        |      |        |      |
|-----------|--|--------|------|--------|------|
| <b>2.</b> | <b>Mr. G. VenkataRamana</b>  |        |      |        |      |
|           | At the beginning of the year   | 898470 | 5.30 | 898470 | 5.30 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease   | --     | --   | --     | --   |
|           | At the End of the year   | 898470 | 5.30 | 898470 | 5.30 |
| <b>3.</b> | <b>Mr. S. Mohan Krishna Murthy</b>   |        |      |        |      |
|           | At the beginning of the year   | 35816  | 0.21 | 35816  | 0.21 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease   | --     | --   | --     | --   |
|           | At the End of the year   | 35816  | 0.21 | 35816  | 0.21 |
| <b>4.</b> | <b>Mr. S. BalajiVenkateswarlu</b>  |        |      |        |      |
|           | At the beginning of the year   | 157827 | 0.93 | 157827 | 0.93 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL |        |      |        |      |
|           | At the End of the year   | 157827 | 0.93 | 157827 | 0.93 |
| <b>5.</b> | <b>Mr. S. Srinivas Kumar</b>   |        |      |        |      |
|           | At the beginning of the year   | 246723 | 1.46 | 246723 | 1.46 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):     | --     | --   | --     | --   |
|           | At the End of the year   | 246723 | 1.46 | 246723 | 1.46 |
| <b>6.</b> | <b>Mr. Bh. SatyaNarayanaRaju</b>   |        |      |        |      |
|           | At the beginning of the year   | 496130 | 2.93 | 496130 | 2.93 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease: NIL  |        |      |        |      |
|           | At the End of the year   | 496130 | 2.93 | 496130 | 2.93 |
| <b>7.</b> | <b>Ms. LaxmiSravaniDasari</b>  |        |      |        |      |
|           | At the beginning of the year   | 87500  | 0.52 | 87500  | 0.52 |
|           | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease : NIL   |        |      |        |      |
|           | At the End of the year   | 87500  | 0.52 | 87500  | 0.52 |

## ORTIN LABORATORIES LIMITED

|   |  |                        |                 |                           |   |
|---|--|------------------------|-----------------|---------------------------|---|
| <b>8.</b>   | <b>Mr.J. R. K. Panduranga Rao</b>  |                        |                 |                           |   |
|   | At the beginning of the year   | -                      | -               | -                         | - |
|   | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):           |                        |                 |                           |   |
|   | At the End of the year   | -                      | -               | -                         | - |
| <b>9.</b>   | <b>Mr. M. Tippayya</b>   |                        |                 |                           |   |
|   | At the beginning of the year   | -                      | -               | -                         | - |
|   | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease :   |                        |                 |                           |   |
|   | At the End of the year   | -                      | -               | -                         | - |
| <b>10.</b>  | <b>Mr. K. PradyumnaTeja</b>  |                        |                 |                           |   |
|   | At the beginning of the year   | -                      | -               | -                         | - |
|   | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):           |                        |                 |                           |   |
|   | At the End of the year   | -                      | -               | -                         | - |
| <b>11.</b>  | <b>Mr. T Seshagiri</b>   |                        |                 |                           |   |
|   | At the beginning of the year   | -                      | -               | -                         | - |
|   | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):           |                        |                 |                           |   |
|   | At the End of the year   | -                      | -               | -                         | - |
| <b>12.</b>  | <b>Mr. B. Gopal Reddy</b>  |                        |                 |                           |   |
|   | At the beginning of the year   | -                      | -               | -                         | - |
|   | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): |                        |                 |                           |   |
|   | At the End of the year   | -                      | -               | -                         | - |
| <b>V. INDEBTEDNESS</b>  |  |                        |                 |                           |   |
| <b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b> |  |                        |                 |                           |   |
| <b>Indebtedness at the beginning of the financial year</b>  | <b>Secured Loans excluding deposits</b>  | <b>Unsecured Loans</b> | <b>Deposits</b> | <b>Total Indebtedness</b> |   |
| Principal Amount  | 1,30,43,000  | 2,90,77,000            | --              | 4,21,20,000               |   |
| ii) Interest due but not paid   |  |                        |                 |                           |   |
| iii) Interest accrued but not due   |  |                        |                 |                           |   |
| <b>Total (i+ii+iii)</b>   | 1,30,43,000  | 2,90,77,000            | --              | 4,21,20,000               |   |

## ORTIN LABORATORIES LIMITED

| Change in Indebtedness during the financial year                                    |   |                              |       |                       |
|---|---|------------------------------|-------|-----------------------|
| Addition  | 667000  | 7814000                      | --    |                       |
| Reduction   |   |                              |       |                       |
| Net Change  | 667000  | 7814000                      | --    | 8,48,100              |
| <b>Indebtedness at the end of the financial year</b>                                | 1,37,10,000   | 3,68,91,000                  | --    | 5,06,01,000           |
| i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due |   |                              |       |                       |
| <b>Total (i+ii+iii)</b>   | 1,37,10,000   | 3,68,91,000                  | --    | 5,06,01,000           |
| <b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>                   |   |                              |       |                       |
| <i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>   |   |                              |       |                       |
| Sl. no.   | Particulars of Remuneration   | Name of MD/WTD/ Manager:     |       | Total Amount in Lakhs |
| 1.  | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961                               | Mr. S. Murali Krishna Murthy | 5.40  | 5.40                  |
|   |   | Mr. S. Mohan Krishna Murthy  | 2.85  | 2.85                  |
|   |   | Mr. S. BalajiVenkateswarulu  | 5.40  | 5.40                  |
|   |   | Mr. S. Srinivas Kumar        | 5.40  | 5.40                  |
|   |   | Mr. G. VenkataRamana         | 19.81 | 19.81                 |
|   |   | Mr. Bh. SatyanarayanaRaju    | 15    | 15                    |
|   | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | NIL                          | NIL   |                       |
| 2.  | Stock Option  | --                           | --    | --                    |
| 3.  | Sweat Equity  | --                           | --    | --                    |
| 4.  | Commission<br>- as % of profit<br>- Others, specify...  | --                           | --    | --                    |

## ORTIN LABORATORIES LIMITED

| 5.   | Others, please specify   | --                         | --                         | --                    |                 |                      |                 |
|--|--|----------------------------|----------------------------|-----------------------|-----------------|----------------------|-----------------|
|  | Total (A)  | --                         | 53.86                      | 53.86                 |                 |                      |                 |
|  | Ceiling as per the act   |                            |                            |                       |                 |                      |                 |
| <b>B. Remuneration to other directors:</b>   |  |                            |                            |                       |                 |                      |                 |
| Sl. no.  | Particulars of Remuneration  | J.R.K<br>Pandurang<br>aRao | M.<br>Tippay<br>ya         | Pradyu<br>mnaTej<br>a | T.<br>Seshagiri | B.<br>Gopal<br>Reddy | Total<br>Amount |
| 1  | Independent Directors<br>· Fee for attending board /<br>committee meetings ·<br>Commission · Others, please<br>specify   | 0.05                       | 0.05                       | --                    | 0.01            | 0.04                 | 0.15            |
|  | Total (1)  | 0.05                       | 0.05                       | --                    | 0.01            | 0.04                 | 0.15            |
| 2.   | Other Non-Executive Directors<br>Fee for attending board /<br>committee meetings<br>commission ·<br>Others, please specify   | --                         | --                         | --                    | --              |                      | --              |
|  | Total (2)  | --                         | --                         | --                    | --              |                      | --              |
|  | Total (B)=(1+2)  | 0.05                       | 0.05                       | --                    | 0.01            | 0.04                 | 0.15            |
|  | Total Managerial Remuneration  | --                         |                            |                       |                 |                      | 54.01           |
|  | Overall Ceiling as per the Act   | --                         | --                         | --                    | --              |                      | --              |
| <b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>                   |  |                            |                            |                       |                 |                      |                 |
| Sl. no.  | Particulars of<br>Remuneration   | Key Managerial Personnel   |                            |                       |                 |                      |                 |
|  |  | CEO                        | Company Secretary          | CFO                   | Total           |                      |                 |
| 1.   | Gross salary<br>(a) Salary as per provisions<br>contained in section 17(1) of<br>the Income-tax Act, 1961<br>(b) Value of perquisites u/s17(2) Income-<br>tax Act, 1961<br>(c) Profits in lieu of salary under section<br>17(3) Income-tax Act, 1961 | --                         | Mrs. SharvariSwapnilShinde | --                    | 0.50            |                      |                 |
| 2.   | Stock Option   |                            |                            | -                     | -               |                      |                 |
| 3.   | Sweat Equity   |                            |                            | -                     | -               |                      |                 |
| 4.   | Commission<br>- as % of profit<br>- others, specify...   |                            |                            | -                     | -               |                      |                 |
| 5.   | Others, please<br>Specify  |                            |                            | -                     | -               |                      |                 |
| 6.   | Total  |                            | --                         | --                    | 0.50            |                      |                 |
| <b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>                                   |  |                            |                            |                       |                 |                      |                 |
| <b>A. COMPANY: NIL</b><br><b>B. DIRECTORS: NIL</b><br><b>C. OTHER OFFICERS IN DEFAULT: NIL</b> |  |                            |                            |                       |                 |                      |                 |

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## ORTIN LABORATORIES LIMITED

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**Annexure- III**  
**Form No. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act**  
**and Rule**  
**8(2) of the Companies**  
**(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to

**1. Details of contracts or arrangements or transactions not at arm's length basis -NIL**

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts / arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or Transactions date(s) of approval by the Board
- f. Amount paid as advances, if any:
- g. Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis: Nil**

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions: Advances received and paid
- c. Duration of the contracts / arrangements/transactions: during year
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: nil
- e. Date(s) of approval by the Board, if any: NA
- f. Amount received/ (paid) as advances, if any:

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# ORTIN LABORATORIES LIMITED

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## Independent Auditor's Report

### To the Members of Ortin Laboratories Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Ortin Laboratories Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that

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## ORTIN LABORATORIES LIMITED

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we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2018, and its profit & loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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## ORTIN LABORATORIES LIMITED

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Refer to our separate report in "Annexure B".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

For Sathuluri & Co  
Chartered Accountants  
Firm's Registration No.: 006383S

S S Prakash  
Proprietor  
Membership No.: 202710

Place: Hyderabad  
Date:



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## ORTIN LABORATORIES LIMITED

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### **Annexure A to the Independent Auditors' Report of even date to the members of Ortin Laboratories Limited, on the financial statements for the year ended 31<sup>st</sup> March 2018**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i. In Respect of its Fixed Assets:
  - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular program of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification
- iii. The company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly the provisions of clauses 3(iii)(a), 3(iii)(b), 3(iii)(c) of the Order not applicable
- iv. On the basis of information and explanations provided to us by the management, , the Company has not entered into any transactions falling within the ambit of Section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of clauses 3(iv) of the Order not applicable
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptances of Deposits) Rules, 2014(as amended). Accordingly the provisions of clauses 3(v) of the Order not applicable.
- vi. In our opinion and according to the information and explanations given to us, the company is maintaining proper cost records, as been prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the activities of the Company.
  - (a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to the appropriate authorities. Further no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
  - (b) There were no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory

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## ORTIN LABORATORIES LIMITED

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dues that have not been deposited with the appropriate authorities on account of any dispute.

- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, value added tax and cess on account of any dispute, are as follows:
1. Service Tax Under RCM on Sitting Fee – Rs. 2,472/-
  2. Sales Tax payable (Mumbai Br.) – Rs. 1,15,702/-
  3. Value Added Tax Payable 2012-13 – Rs. 16,164/-
  4. Service Tax of Rs. 89,85,698/-
- viii. The Company has not defaulted in repayment of loans or borrowings to any banks or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- ix. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion term loans were applied for the purpose for which the loans were obtained
- x. No fraud by the company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, the company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the requisite details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. During the year, The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sathuluri & Co  
Chartered Accountants  
Firm's Registration No.: 006383S

S S Prakash  
Proprietor  
Membership No.: 202710

Place: Hyderabad  
Date: 30.05.2018

**Annexure B to the Independent Auditor's Report of even date to the members of Ortin Laboratories Limited, on the financial statements for the year ended 31<sup>st</sup> March 2018**

**Annexure B**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the financial statements of Ortin Laboratories **Limited** ("the Company") as of and for the year ended 31<sup>st</sup> March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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## **ORTIN LABORATORIES LIMITED**

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4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sathuluri & Co  
Chartered Accountants  
Firm's Registration No.: 006383S

S S Prakash  
Proprietor  
Membership No.: 202710

Place: Hyderabad  
Date: 30.05.2018

# ORTIN LABORATORIES LIMITED

## Audited Financial Results for the Year Ended 31.03.2018

(Rs.in Lakhs)

| Particulars                              | Note No. | 2018           | 2017           | As at<br>April 1, 2016 |
|--|----------|----------------|----------------|------------------------|
| <b>ASSETS</b>                            |          |                |                |                        |
| <b>Non-current assets</b>                |          |                |                |                        |
| <b>Property plant and Equipment</b>      | 2.1      | 2003.40        | 2068.93        | 2162.73                |
| <b>Capital Work Inprogress</b>           | 2.2      | 40.21          | 35.21          | 0.00                   |
| <b>Intangible assets</b>                 |          | 0.00           | 0.00           | 0.00                   |
| <b>Financial assets</b>                  |          |                |                |                        |
| Investments                              | 2.3      | 7.84           | 7.00           | 5.51                   |
| Other financial assets                   | 2.4      | 67.47          | 57.25          | 43.62                  |
| <b>Other non current assets</b>          | 2.5      | 11.91          | 162.75         | 156.41                 |
|  |          | <b>2130.83</b> | <b>2331.14</b> | <b>2368.27</b>         |
| <b>Current assets</b>                    |          |                |                |                        |
| <b>Inventories</b>                       | 2.6      | 2401.93        | 1765.01        | 1684.00                |
| <b>Financial assets</b>                  |          |                |                |                        |
| Trade receivables                        | 2.7      | 2184.89        | 1523.99        | 1998.07                |
| Cash and cash equivalent                 | 2.8      | 169.22         | 143.03         | 166.36                 |
| Other financial assets                   | 2.4      | 31.81          | 26.30          | 22.71                  |
| <b>Other current assets</b>              | 2.5      | 447.66         | 363.52         | 304.84                 |
|  |          | <b>5235.51</b> | <b>3821.85</b> | <b>4175.97</b>         |
|  |          | <b>7366.34</b> | <b>6152.98</b> | <b>6544.24</b>         |
| <b>EQUITY AND LIABILITIES</b>            |          |                |                |                        |
| <b>Equity</b>                            |          |                |                |                        |
| Equity Share Capital                     | 2.9      | 1694.04        | 1694.04        | 1694.04                |
| Other Equity                             | 2.10     | 713.77         | 645.85         | 595.52                 |
|  |          | <b>2407.81</b> | <b>2339.89</b> | <b>2289.56</b>         |
| <b>Liabilities</b>                       |          |                |                |                        |
| <b>Non-current liabilities</b>           |          |                |                |                        |
| <b>Financial Liabilities</b>             |          |                |                |                        |
| Borrowings                               | 2.11     | 148.26         | 141.59         | 223.54                 |
| Deferred tax liabilities (net)           | 2.12     | 252.92         | 305.87         | 298.86                 |
| Other non-current liabilities            | 2.13     | 369.12         | 290.97         | 256.55                 |
| Long Term Provisions                     | 2.14     | 25.99          | 25.14          | 20.50                  |
|  |          | <b>796.30</b>  | <b>763.57</b>  | <b>799.45</b>          |
| <b>Current liabilities</b>               |          |                |                |                        |
| <b>Financial Liabilities</b>             |          |                |                |                        |
| Borrowings                               | 2.11     | 1465.94        | 1512.49        | 1522.08                |
| Trade payables                           | 2.15     | 1658.23        | 704.86         | 1062.95                |
| Other financial liabilities              | 2.16     | 942.42         | 770.06         | 814.08                 |
| <b>Liabilities for current tax (net)</b> |          |                |                |                        |
| Provisions                               | 2.17     | 38.75          | 43.51          | 49.98                  |
| Other current liabilities                | 2.13     | 56.89          | 18.61          | 6.14                   |
|  |          | <b>4162.24</b> | <b>3049.53</b> | <b>3455.23</b>         |
|  |          | <b>7366.35</b> | <b>6152.98</b> | <b>6544.24</b>         |
| <b>TOTAL</b>                             |          | <b>0</b>       | <b>0.00</b>    | <b>0.00</b>            |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date  
For Sathuluri & Co.,  
Chartered Accountants

For and on behalf of Board  
For ORTIN LABORATORIES LTD

Sd/-  
S.S.Prakash  
Proprietor  
M.No. 202710  
F.R.No. 006383S

Sd/-  
S. MURALI KRISHNA MURTHY  
Managing Director (DIN: 00540632)

Sd/-  
Bh. SATYA NARAYANA RAJU  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
G. VENKATA RAMANA  
Joint Managing Director (DIN : 00031873)

Sd/-  
Sharvari Swapnil Shinde  
Company Secretary

Place: Hyderabad  
Date: 30.05.2018

# ORTIN LABORATORIES LIMITED

## Audited Financial Results for the Year Ended 31.03.2018

(Rs.in Lakhs)

| Particulars   | Note No. | 2018           | 2017           |
|---|----------|----------------|----------------|
| <b>Income</b>   |          |                |                |
| Revenue from operations   | 2.18     | 8062.19        | 6675.41        |
| Other income  | 2.19     | 45.33          | 32.23          |
| <b>Total Revenue</b>  |          | <b>8107.52</b> | <b>6707.64</b> |
| <b>Expenses</b>   |          |                |                |
| Cost of materials consumed  | 2.20     | 5629.58        | 3848.32        |
| Purchases of stock-in-Trade   |          | 0.00           | 0.00           |
| Changes in inventories  | 2.21     | 129.57         | 224.37         |
| Employee benefits expense   | 2.22     | 332.28         | 334.51         |
| Finance costs   | 2.23     | 348.66         | 292.87         |
| Depreciation and amortization expense                                   | 2.1      | 168.55         | 170.37         |
| Other expenses  | 2.24     | 1430.84        | 1724.13        |
| <b>Total Expenses</b>   |          | <b>8039.48</b> | <b>6594.58</b> |
| <b>Profit/(Loss) before exceptional items</b>                           |          | <b>68.04</b>   | <b>113.06</b>  |
| <b>Exceptional items</b>  |          | <b>0.00</b>    | <b>0.00</b>    |
| <b>Profit/(Loss) before tax</b>   |          | <b>68.04</b>   | <b>113.06</b>  |
| <b>Tax expense</b>  |          |                |                |
| Current tax   |          | 38.75          | 43.20          |
| Deferred tax  |          | (52.95)        | 7.01           |
| Previous year   |          | 14.31          | 12.53          |
| <b>Net Profit for the Period</b>  |          | <b>67.92</b>   | <b>50.32</b>   |
| <b>Other comprehensive income (OCI)</b>                                 |          |                |                |
| Items that will not be reclassified to profit or loss                   |          | 0.00           | 0.00           |
| Tax on items that will not be reclassified to profit or loss            |          | 0.00           | 0.00           |
|   |          | 0.00           | 0.00           |
| <b>Items that will be reclassified to profit or loss:</b>               |          |                |                |
| Tax on items that may be reclassified to profit or loss                 |          | 0.00           | 0.00           |
| Items that may be reclassified subsequently to profit or loss           |          | 0.00           | 0.00           |
| <b>Total other comprehensive income/(loss) for the year, net of tax</b> |          | <b>0.00</b>    | <b>0.00</b>    |
| <b>Total comprehensive income for the year</b>                          |          | <b>67.92</b>   | <b>50.32</b>   |
| <b>Earnings per share:</b>  |          |                |                |
| Basic earnings per share of 10/-each                                    |          | 0.40           | 0.30           |
| Diluted earnings per share of 10/- each                                 |          | 0.40           | 0.30           |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date  
For Sathuluri & Co.,  
Chartered Accountants

For and on behalf of Board  
For ORTIN LABORATORIES LTD

Sd/-  
S.S.Prakash  
Proprietor  
M.No. 202710  
F.R.No. 006383S

Sd/-  
S. MURALI KRISHNA MURTHY  
Managing Director (DIN: 00540632)

Sd/-  
G. VENKATA RAMANA  
Joint Managing Director (DIN : 00031873)

Place: Hyderabad  
Date: 30.05.2018

Sd/-  
Bh. SATYA NARAYANA RAJU  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
Sharvari Swapnil Shinde  
Company Secretary

# ORTIN LABORATORIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs.in Lakhs)

| Particulars   | 2018             | 2017             |
|---|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                                 |                  |                  |
| Net profit before tax   | 68.04            | 113.06           |
| Adjustments for :   |                  |                  |
| Depreciation and amortization expense                                       | 168.55           | 170.37           |
| Provision for doubtful debts/advances/ impairment                           | 0.00             | 0.00             |
| Bad debts written off   | 0.00             | 0.00             |
| Dividend Income   | 0.00             | 0.00             |
| Gain on Investments carried at fair value through profit & loss             | 0.00             | 0.00             |
| Fixed Assets written off  | 0.00             | 0.00             |
| Profit on sale of assets  | (29.34)          | (0.96)           |
| Other Comprehensive Income (net of tax)                                     | 0.00             | 0.00             |
| Operating profit before working capital changes                             | <b>207.25</b>    | <b>282.47</b>    |
| Movements in Working Capital  |                  |                  |
| (Increase)/Decrease in Trade Receivables                                    | (660.90)         | 474.08           |
| (Increase)/Decrease in Other financial assets                               | (5.51)           | (3.59)           |
| (Increase)/Decrease in Inventories  | (636.92)         | (81.01)          |
| (Increase)/Decrease in Other Current Assets                                 | (84.14)          | (58.68)          |
| (Increase)/Decrease in Other Non Current Assets                             | 150.84           | (6.34)           |
| Increase/(Decrease) in Trade Payables                                       | 953.37           | (358.09)         |
| Increase/(Decrease) in Other financial liabilities                          | 172.36           | (44.02)          |
| Increase/(Decrease) in Other Current liabilities                            | 38.29            | 12.47            |
| Increase/(Decrease) in Other Non Current liabilities                        | 78.14            | 34.43            |
| Increase/(Decrease) in Provisions   | 0.86             | 4.64             |
| Changes in Working Capital  | <b>6.38</b>      | <b>(26.12)</b>   |
| <b>Cash generated from operations</b>                                       | <b>213.63</b>    | <b>256.35</b>    |
| Interest received on Deposits   |                  |                  |
| Direct Taxes Paid   | (57.82)          | (62.20)          |
| <b>Net Cash from operating activities (A)</b>                               | <b>155.81</b>    | <b>194.15</b>    |
| <b>Cash flows from Investing Activities</b>                                 |                  |                  |
| Dividends Received  | -                | -                |
| Purchase of Fixed Assets (Including CWIP)                                   | (119.14)         | (77.91)          |
| Sale of Fixed Assets  | 45.46            | 2.30             |
| Changes in Capital Work in Progress   | (5.00)           | (35.21)          |
| Changes in Other Non Current Financial assets                               | (10.22)          | (13.62)          |
| Purchase/Sale of Investment   | (0.84)           | (1.49)           |
| <b>Net Cash used in Investing Activities</b>                                | <b>(89.74)</b>   | <b>(125.93)</b>  |
| <b>Cash flows from/(used in) Financing Activities</b>                       |                  |                  |
| Proceeds from Long term borrowings  | 6.67             | (81.95)          |
| Repayment/(Proceeds) of/from Short-term borrowings                          | 0.00             | 0.00             |
| Dividend paid   |                  |                  |
| Corporate Dividend tax  |                  |                  |
| <b>Net Cash used in Financing Activities</b>                                | <b>6.67</b>      | <b>(81.95)</b>   |
| <b>Net Increase/(Decrease) in cash and cash equivalents</b>                 | <b>72.74</b>     | <b>(13.74)</b>   |
| Cash and Cash equivalents at the beginning of the year                      | (1369.46)        | (1355.72)        |
| <b>Cash and Cash equivalents at the ending of the year (Refer Note 2.8)</b> | <b>(1296.72)</b> | <b>(1369.46)</b> |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date  
For Sathuluri & Co.,  
Chartered Accountants

For and on behalf of Board  
For ORTIN LABORATORIES LTD

Sd/-  
S.S.Prakash  
Proprietor  
M.No. 202710  
F.R.No. 006383S

Sd/-  
S. MURALI KRISHNA MURTHY  
Managing Director (DIN: 00540632)

Sd/-  
G. VENKATA RAMANA  
Joint Managing Director (DIN : 00031873)

Sd/-  
Bh. SATYA NARAYANA RAJU  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
Sharvari Swapnil Shinde  
Company Secretary

Place: Hyderabad  
Date: 30.05.2018



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# ORTIN LABORATORIES LIMITED

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## NOTES TO STANDALONE FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### A. General Information

Ortin Laboratories Limited (the company) is engaged in the manufacturing and trading of Pharmaceuticals, Drugs and Intermediates. The Company is a public limited company incorporated and domiciled in India and has its registered office at Barkathpura, Hyderabad. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### B. Basis of preparation and presentation of Financial Statements

The financial statements of Ortin Laboratories Limited (the company) have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These are the company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note numbers 2.25 to 2.34 of First Time Adoption.

##### **Basis of Measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### C. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based

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## ORTIN LABORATORIES LIMITED

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on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

**i) Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

**ii) Employee Benefits**

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**iii) Provision and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**iv) Fair valuation**

Fair value is the market based measurement of observable market transaction or available market information.

**D. Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

**E. Current and noncurrent classification**

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used

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## ORTIN LABORATORIES LIMITED

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to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

### **F. Foreign Currency Transaction**

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

### **Significant Accounting Policies**

#### **1) Property Plant & Equipment**

##### **Transition to Ind AS**

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

##### **Recognition and measurement**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the

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## ORTIN LABORATORIES LIMITED

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construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### **Depreciation**

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed of during the year, depreciation is provided on prorata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

| Type of Asset          | Estimated useful life in years |
|------------------------|--------------------------------|
| Buildings              |                                |
| i) Main Plant Building | 30                             |
| ii) Other Building     | 60                             |
| Plant & Machinery      | 25                             |
| Lab Equipment          | 7.5                            |
| Material Handling      | 7.5                            |
| Fire fighting          | 7.5                            |
| Vehicles               | 8                              |
| Computers              | 3                              |
| Office Equipment       | 5                              |
| Furniture & Fixtures   | 10                             |

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

## 2) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

##### Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

##### Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a

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## ORTIN LABORATORIES LIMITED

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group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### **Impairment of trade receivables**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **3) Inventories**

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### **4) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-

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## ORTIN LABORATORIES LIMITED

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generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 5) **Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances. \

### 6) **Employee Benefits**

#### **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Defined Contribution Plan**

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

#### **Defined Benefit Plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in



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the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### **Termination benefits**

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **Other long-term employee benefits**

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

## **7) Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## **8) Revenue Recognition**

### **Sale of goods and trade license**

Revenue from sale of goods is recognized when significant risks and rewards in

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## ORTIN LABORATORIES LIMITED

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respect of ownership of the product is transferred to the customer. Revenue from the sale of Products includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances.

Revenue from export sales and other sales outside of India is recognised when the significant risks and rewards of ownership of products are transferred to the customers, which occurs upon delivery of the products to the customers unless the terms of the applicable contract provide for specific revenue generating activities to be completed, in which case revenue is recognised once all such activities are completed.

Revenue from sale of trade license (duty scripts) is recognised in when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

### **Other Income**

#### **Interest Income**

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

#### **Dividend**

Dividend income is recognized when the Company's right to receive dividend is established.

### **9) Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchangedifferences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### **10) Tax Expenses**

Tax expense consists of current and deferred tax.

#### **Income Tax**

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### **Deferred Tax**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

### **11) Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **12) Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

### **13) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **Determination of fair values**

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### **(i) Property, plant and equipment**

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

#### **(ii) Intangible assets**

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

#### **(iii) Inventories**

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

#### **(iv) Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**(v) Derivatives**

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

**(vi) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

# ORTIN LABORATORIES LIMITED

2.1: Property, plant and equipment

| Particulars              | Gross carrying value  |                        |                       | Accumulated depreciation / impairment      |             |                        | Net carrying value     |                        |
|--------------------------|-----------------------|------------------------|-----------------------|--|-------------|------------------------|------------------------|------------------------|
|                          | As at<br>1 April 2017 | As at<br>31 March 2018 | As at<br>1 April 2017 | For the year<br>Impairment<br>for the year | Disposals   | As at<br>31 March 2018 | As at<br>31 March 2018 | As at<br>31 March 2017 |
| Land.                    | 53.57                 | 53.57                  | -                     | -  | -           | -                      | 53.57                  | 53.57                  |
| Factory building.        | 477.78                | 495.99                 | 21.41                 | 21.72                                      | -           | 43.13                  | 452.86                 | 456.36                 |
| Administrative building. | 7.84                  | (2.88)                 | 0.18                  | -  | 3.06        | (2.88)                 | (0.00)                 | 7.66                   |
| Plant & machinery        | 1,495.35              | 1,580.17               | 110.71                | 115.09                                     | -           | 225.80                 | 1,354.38               | 1,384.64               |
| Testing equipment.       | 54.90                 | 56.19                  | 4.23                  | 4.26                                       | -           | 8.49                   | 47.70                  | 50.67                  |
| Furniture & fixtures.    | 4.97                  | 4.97                   | 1.42                  | 1.05                                       | -           | 2.47                   | 2.49                   | 3.55                   |
| Electrical fittings      | 28.65                 | 28.65                  | 13.91                 | 7.88                                       | -           | 21.78                  | 6.87                   | 14.74                  |
| Vehicles.                | 82.29                 | 81.55                  | 10.90                 | 14.37                                      | 6.92        | 18.36                  | 63.19                  | 71.39                  |
| Other assets.            | 17.35                 | 17.35                  | 1.53                  | 1.66                                       | -           | 3.19                   | 14.16                  | 15.82                  |
| Computer.                | 3.79                  | 3.97                   | 1.14                  | 1.40                                       | -           | 2.53                   | 1.44                   | 2.65                   |
| Modixerox.               | -                     | -                      | -                     | -  | -           | -                      | -                      | -                      |
| Generator Set            | (0.00)                | (0.00)                 | -                     | -  | -           | -                      | (0.00)                 | (0.00)                 |
| Air conditioner.         | 8.98                  | 8.98                   | 1.11                  | 1.13                                       | -           | 2.23                   | 6.75                   | 7.88                   |
| <b>Total</b>             | <b>2,235.46</b>       | <b>2,328.51</b>        | <b>166.53</b>         | <b>168.55</b>                              | <b>9.98</b> | <b>325.10</b>          | <b>2,003.40</b>        | <b>2,068.93</b>        |

| Particulars                     | Gross carrying value                 |                        |                       | Accumulated depreciation / impairment      |             |                        | Net carrying value     |                       |
|---------------------------------|--------------------------------------|------------------------|-----------------------|--|-------------|------------------------|------------------------|-----------------------|
|                                 | Deemed cost<br>As at<br>1 April 2016 | As at<br>31 March 2017 | As at<br>1 April 2016 | For the year<br>Impairment<br>for the year | Disposals   | As at<br>31 March 2017 | As at<br>31 March 2017 | As at<br>1 April 2016 |
| Land.                           | 53.57                                | 53.57                  | -                     | -  | -           | -                      | 53.57                  | 53.57                 |
| Factory building.               | 471.59                               | 477.78                 | -                     | 21.41                                      | -           | 21.41                  | 456.36                 | 471.59                |
| Administrative building.        | 7.84                                 | 7.84                   | 0.18                  | 7.84                                       | -           | 0.18                   | 7.66                   | 7.84                  |
| Plant & machinery               | 1,440.63                             | 1,495.35               | -                     | 110.71                                     | -           | 110.71                 | 1,384.64               | 1,440.63              |
| Testing equipment.              | 54.90                                | 54.90                  | -                     | 4.23                                       | -           | 4.23                   | 50.67                  | 54.90                 |
| Furniture & fixtures.           | 4.97                                 | 4.97                   | 1.42                  | 4.97                                       | -           | 1.42                   | 3.55                   | 4.97                  |
| Electrical fittings             | 28.65                                | 28.65                  | -                     | 13.91                                      | -           | 13.91                  | 14.74                  | 28.65                 |
| Vehicles.                       | 76.82                                | 82.29                  | -                     | 14.74                                      | 3.84        | 10.90                  | 71.39                  | 76.82                 |
| Other assets.                   | 14.36                                | 2.99                   | -                     | 1.53                                       | -           | 1.53                   | 15.82                  | 14.36                 |
| Computer.                       | 1.58                                 | 3.79                   | -                     | 1.14                                       | -           | 1.14                   | 2.65                   | 1.58                  |
| Modixerox.                      | -                                    | -                      | -                     | -  | -           | -                      | (0.00)                 | (0.00)                |
| Generator Set                   | (0.00)                               | (0.00)                 | -                     | -  | -           | -                      | (0.00)                 | (0.00)                |
| Air conditioner.                | 7.83                                 | 8.98                   | -                     | 1.11                                       | -           | 1.11                   | 7.88                   | 7.83                  |
| <b>Total</b>                    | <b>2,162.73</b>                      | <b>2,235.46</b>        | <b>-</b>              | <b>170.37</b>                              | <b>3.84</b> | <b>166.53</b>          | <b>2,068.93</b>        | <b>2,162.73</b>       |
| <b>Capital Work in progress</b> | <b>-</b>                             | <b>-</b>               | <b>-</b>              | <b>-</b>                                   | <b>-</b>    | <b>-</b>               | <b>35.21</b>           | <b>-</b>              |

2.2: Capital Work in Progress

| Particulars              | Gross carrying value |           |           | Accumulated depreciation / impairment |                    |              |                         | Net carrying value |                     |                     |
|--------------------------|----------------------|-----------|-----------|---------------------------------------|--------------------|--------------|-------------------------|--------------------|---------------------|---------------------|
|                          | As at 1 April 2017   | Additions | Disposals | As at 31 March 2018                   | As at 1 April 2017 | For the year | Impairment for the year | Disposals          | As at 31 March 2018 | As at 31 March 2017 |
| Capital Work in progress | 35.21                | -         | -         | -                                     | -                  | -            | -                       | -                  | 40.21               | 35.21               |
| Total                    | 35.21                | -         | -         | -                                     | -                  | -            | -                       | -                  | 40.21               | 35.21               |

| Particulars              | Gross carrying value           |           |           | Accumulated depreciation / impairment |                    |              |                         | Net carrying value |                     |                    |
|--------------------------|--------------------------------|-----------|-----------|---------------------------------------|--------------------|--------------|-------------------------|--------------------|---------------------|--------------------|
|                          | Deemed Cost As at 1 April 2016 | Additions | Disposals | As at 31 March 2017                   | As at 1 April 2016 | For the year | Impairment for the year | Disposals          | As at 31 March 2017 | As at 1 April 2016 |
| Capital Work in progress | -                              | 35.21     | -         | 35.21                                 | -                  | -            | -                       | -                  | -                   | -                  |
| Total                    | -                              | 35.21     | -         | 35.21                                 | -                  | -            | -                       | -                  | -                   | -                  |

## ORTIN LABORATORIES LIMITED

### 2.3 Investments

| Particulars  | As At March 31,2018 |             | As At March 31,2017 |             | As At April 1st,2016 |             |
|--|---------------------|-------------|---------------------|-------------|----------------------|-------------|
|  | Current             | Non Current | Current             | Non Current | Current              | Non Current |
| Investments at fair value through Profit or Loss A/c | -                   | -           | -                   | -           | -                    | -           |
| In Equity Shares                                     | -                   | 0.004       | -                   | 0.01        | -                    | 0.01        |
| In Mutual Funds                                      |                     | 7.84        |                     | 6.98        |                      | 5.50        |
| Aggregate amount of Quoted Investments               | -                   | 7.85        | -                   | 7.00        | -                    | 5.51        |
| Total Investments                                    | -                   | 7.85        | -                   | 7.00        | -                    | 5.51        |

### 2.4 Other Financial Assets

| Particulars                              | As At March 31,2018 |              | As At March 31,2017 |              | As At April 1st,2016 |              |
|--|---------------------|--------------|---------------------|--------------|----------------------|--------------|
|  | Current             | Non Current  | Current             | Non Current  | Current              | Non Current  |
| Deposits with IL and FS                  | -                   | 13.00        | -                   | -            | -                    | -            |
| NSC Bond                                 | -                   | 0.15         | -                   | 0.15         | -                    | 0.15         |
| Security Deposit with APCPDCL            | -                   | 53.62        | -                   | 52.14        | -                    | 38.94        |
| Security Deposit with Singareni Colories | -                   | 0.70         | -                   | 0.70         | -                    | 0.70         |
| Deposit for rentals                      | -                   | -            | -                   | 2.78         | -                    | 2.78         |
| Deposit with CPD                         | -                   | -            | -                   | 1.48         | -                    | 1.05         |
| Deposits with Others                     | 26.47               | -            | 21.35               | -            | 18.78                | -            |
| Interest Receivable                      | 5.34                | -            | 4.94                | -            | 3.93                 | -            |
| <b>TOTAL</b>                             | <b>31.81</b>        | <b>67.47</b> | <b>26.30</b>        | <b>57.25</b> | <b>22.71</b>         | <b>43.62</b> |



## ORTIN LABORATORIES LIMITED

### 2.5 Other non current assets and current assets

| PARTICULARS                            | As At March 31,2018 |              | As At March 31,2017 |               | As At April 1st,2016 |               |
|--|---------------------|--------------|---------------------|---------------|----------------------|---------------|
|  | Current             | Non Current  | Current             | Non Current   | Current              | Non Current   |
| Deposits with Statutory authorities    | -                   | 0.26         | -                   | 0.27          | 0.00                 | 0.22          |
| Prepaid Expenses                       | 0.82                | -            | 0.82                | -             | 0.74                 | -             |
| Income Tax refund FY 2012-13           | 2.52                | -            | 2.52                | -             | -                    | -             |
| Income Tax refund FY 2017-18           | 3.78                | -            | 0.00                | -             | -                    | -             |
| Mumbai Sales tax deposit               | 22.69               | -            | 22.69               | -             | 22.69                | -             |
| GST input credit                       | 161.06              | -            | 0.00                | -             | -                    | -             |
| ST input credit                        | 86.99               | -            | 185.40              | -             | 146.22               | -             |
| Loans and advances staff               | 0.11                | -            | 0.06                | -             | 0.15                 | -             |
| Maharashtra Vat tax paid               | 17.30               | -            | 17.30               | -             | -                    | -             |
| Advance for packing material           | 1.00                | -            | 1.00                | -             | 1.00                 | -             |
| Creditors for goods                    | 123.36              | -            | 92.39               | -             | 70.72                | -             |
| Excise Duty Claim Receivable on Export | 0.03                | -            | 0.03                | -             | 0.03                 | -             |
| TDS Receivable from parties            | 2.48                | -            | 2.58                | -             | -                    | -             |
| Excise duty appeal fee                 | 0.00                | 1.76         | 0.00                | 1.76          | -                    | 0.75          |
| Cenvat credit deferred                 | 0.00                | 0.00         | 0.00                | 0.06          | -                    | 3.62          |
| Cenvat credit                          | -                   | 0.06         | 0.00                | 124.73        | -                    | 114.67        |
| Vat Input credit receivable            | -                   | -            | -                   | -             | -                    | 18.88         |
| Excise paid under protest              | -                   | 2.99         | 0.00                | 2.99          | -                    | 2.99          |
| Deferred GST                           | -                   | 4.14         | 0.00                | 26.86         | -                    | -             |
| Deferred Excise Duty                   | -                   | -            | -                   | -             | -                    | 12.70         |
| Income Tax paid under Protest          | -                   | -            | -                   | -             | 15.00                | -             |
| TDS receivable                         | 25.51               | -            | 38.72               | -             | 48.30                | -             |
| Advance others                         | -                   | 2.70         | 0.00                | 6.09          | 0.00                 | 2.58          |
| <b>TOTAL</b>                           | <b>447.66</b>       | <b>11.91</b> | <b>363.52</b>       | <b>162.75</b> | <b>304.84</b>        | <b>156.41</b> |

### 2.6 Inventories

| PARTICULARS       | 2018           | 2017           | 1st April 2016 |
|-------------------|----------------|----------------|----------------|
|                   | Current        | Current        | Current        |
| Raw materials     | 230.00         | 359.57         | 1100.06        |
| Finished goods    | 2147.66        | 1380.30        | 583.94         |
| Packing materials | 24.27          | 25.14          | 0.00           |
| <b>TOTAL</b>      | <b>2401.93</b> | <b>1765.01</b> | <b>1684.00</b> |

The mode of valuation of Inventories has been stated in Note .... Of Significant Accounting Policies  
 Inventories hypothecated as security for availing working capital facilities from banks

## ORTIN LABORATORIES LIMITED

### 2.7 Trade receivables

| PARTICULARS                        | 2018           | 2017           | 1st April 2016 |
|------------------------------------|----------------|----------------|----------------|
|                                    | Current        | Current        | Current        |
| Trade Receivables                  |                |                |                |
| Unsecured, considered good         | 2228.75636     | 1554.58582     | 2038.18        |
| Less: Allowances for credit losses | (43.86)        | (30.59)        | (40.11)        |
| Less: Bad debts Written off        | 0.00           | 0.00           | 0.00           |
| <b>TOTAL</b>                       | <b>2184.89</b> | <b>1523.99</b> | <b>1998.07</b> |

Trade Receivables hypothecated as security for availing working capital facilities

### Movement of Impairment in Trade Receivables

| PARTICULARS                                       | Amount |
|---|--------|
| As at 1st April, 2016                             | -40.11 |
| Add: additional allowance of expected credit loss | 9.52   |
| As at 1st April, 2017                             | -30.59 |
| Reversal of Impairment                            | -13.27 |
| As at March 31, 2018                              | -43.86 |

### 2.8 Cash and Cash Equivalents

| PARTICULARS  | 2018          | 2017          | 1st April 2016 |
|--|---------------|---------------|----------------|
| a) Cash and Cash equivalents                                   |               |               |                |
| i) Cash on hand  | 41.35         | 10.21         | 9.57           |
| ii) Balances with banks  |               |               |                |
| - Current Accounts   | 25.06         | 32.19         | 56.29          |
| - Fixed Deposits   | 10.19         | 9.63          | 9.49           |
| b) Other Bank Balances (with restricted use)                   |               |               |                |
| (i) Margin Money Deposit Accounts<br>(against Bank Guarantees) | 92.63         | 91.00         | 91.00          |
| (ii) Unclaimed Dividend Account                                | 0.00          | 0.00          | 0.00           |
| <b>Total</b>   | <b>169.22</b> | <b>143.03</b> | <b>166.36</b>  |

## ORTIN LABORATORIES LIMITED

### Cash and Cash Equivalents include the following for Cash flow purpose

| PARTICULARS                                     | 2018             | 2017             | 1st April 2016   |
|---|------------------|------------------|------------------|
| Cash and Cash Equivalents/ Bank Balances        | 169.22           | 143.03           | 166.36           |
| Less: Unclaim dividend                          | 0.00             | 0.00             | 0.00             |
| Less: Cash Credit                               | -1,465.94        | -1,512.50        | -1,522.08        |
| <b>Cash and Cash Equivalents/ Bank Balances</b> | <b>-1,296.72</b> | <b>-1,369.46</b> | <b>-1,355.72</b> |

### 2.9 Share Capital

(Rs.in Lakhs)

| PARTICULARS   | 2018           | 2017           | April 1 2016   |
|---|----------------|----------------|----------------|
| Authorized Share Capital<br>2,00,00,000 Equity Shares of Rs.10 each<br>(Previous year :2,00,00,000 equity shares of<br>Rs.10/-each)   | 2000.00        | 2000.00        | 2000.00        |
| Issued Subscribed and Paid up Share Capital<br>1,69,40,400 equity shares of Rs.10/- each fully<br>paid-up<br>(Previous year: 1,69,40,400 Equity Shares of<br>Rs.10 each, fully paid up) | 1694.04        | 1694.04        | 1694.04        |
|   | <b>1694.04</b> | <b>1694.04</b> | <b>1694.04</b> |

#### 2.9.1 Reconciliation of Number of Shares :

| PARTICULARS                                   | 2018              | 2017              | April 1 2016      |
|---|-------------------|-------------------|-------------------|
| Number of Shares at the beginning of the year | 16,940,400        | 16,940,400        | 16,940,400        |
| Add : Shares issued during the year           | -                 | -                 | -                 |
| Number of Shares at the end of the year       | <b>16,940,400</b> | <b>16,940,400</b> | <b>16,940,400</b> |

#### 2.9.2 Rights attached to equity shares

"The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

## ORTIN LABORATORIES LIMITED

### 2.10 Other Equity

(Rs.in Lakhs)

| PARTICULARS   | 2018          | 2017          | April 1 2016  |
|---|---------------|---------------|---------------|
| Share Forfeiture reserve  |               |               |               |
| Opening Balance   | 64.53         | 64.53         | 64.53         |
| Add: Shares issued during the year                                | 0.00          | 0.00          | 0.00          |
|   | <b>64.53</b>  | <b>64.53</b>  | <b>64.53</b>  |
| Capital Reserve   |               |               |               |
| Opening Balance   | 21.23         | 21.23         | 21.23         |
| Surplus in the Statement of Profit and Loss                       |               |               |               |
| Opening Balance   | 560.10        | 509.77        | 547.46        |
| Add: Net profit transferred from the Statement of Profit and Loss | 67.92         | 50.32         |               |
|   | <b>628.02</b> | <b>560.10</b> | <b>547.46</b> |
| Less: Appropriations  |               |               |               |
| Debtors written off   |               |               | (40.11)       |
| Net change in fair value of FVTPL investments and others          |               |               | 2.43          |
| Closing Balance   | 628.02        | 560.10        | 509.77        |
| <b>Total</b>  | <b>713.77</b> | <b>645.85</b> | <b>595.52</b> |

### 2.11 Borrowings

| PARTICULARS                | As At March 31, 2018 |               | As At March 31, 2017 |               | As At April 1st, 2016 |               |
|----------------------------|----------------------|---------------|----------------------|---------------|-----------------------|---------------|
|                            | Current              | Non Current   | Current              | Non Current   | Current               | Non Current   |
| Secured Borrowings:        |                      |               |                      |               |                       |               |
| Term Loan from banks       | 0.00                 | 119.04        | 0.00                 | 107.14        | 0.00                  | 180.71        |
| Vehicle Loans              | 0.00                 | 18.07         | 0.00                 | 23.29         | 0.00                  | 31.67         |
| Int Free sales tax deposit | 0.00                 | 11.16         | 0.00                 | 11.16         | 0.00                  | 11.16         |
| Unsecured Borrowings       |                      |               |                      |               |                       |               |
| Cash Credit                | 1,465.94             | 0.00          | 1512.50              | 0.00          | 1522.08               | 0.00          |
| <b>Total</b>               | <b>1465.94</b>       | <b>148.26</b> | <b>1512.50</b>       | <b>141.59</b> | <b>1522.08</b>        | <b>223.54</b> |

Term loan from Karnataka Bank Ltd is Secured by hypothecation of Fixed Assets and Personal Guarantee of directors of the company excluding Honorary directors.  
Vehicle Loan from Bank is secured by hypothecation of vehicle financed.

## ORTIN LABORATORIES LIMITED

### 2.12 Deferred Tax Liabilities

| PARTICULARS                                 | 2018          | 2017          | April 1 2016  |
|---|---------------|---------------|---------------|
| Opening Balance                             | 305.87        | 298.861       | 292.16        |
| Add : On account of IND AS Adjustment       |               | 0.00          | 0.00          |
| Add : On account of difference in Net Block | -52.95        | 7.01          | 6.70          |
| Closing Balance                             | <b>252.92</b> | <b>305.87</b> | <b>298.86</b> |

### 2.13 Other Non Current Liabilities & Current liabilities

| PARTICULARS            | As At March 31,2018 |               | As At March 31,2017 |               | As At April 1st,2016 |               |
|------------------------|---------------------|---------------|---------------------|---------------|----------------------|---------------|
|                        | Current             | Non Current   | Current             | Non Current   | Current              | Non Current   |
| Loan from Directors    | 0.00                | 257.86        | 0.00                | 186.88        | 0.00                 | 152.45        |
| Loan from Others       | 0.00                | 111.06        | 0.00                | 103.89        | 0.00                 | 103.89        |
| Advance from customers | 56.89               | 0.00          | 18.61               | 0.00          | 6.14                 |               |
| Security Deposit       | 0.00                | 0.21          | 0.00                | 0.21          | 0                    | 0.21          |
| <b>Total</b>           | <b>56.89</b>        | <b>369.12</b> | <b>18.61</b>        | <b>290.97</b> | <b>6.14</b>          | <b>256.55</b> |

### 2.14 Long Term Provisions

| PARTICULARS                                  | 2018         | 2017         | April 1 2016 |
|--|--------------|--------------|--------------|
| Provision for Gratuity and Employee Benefits |              |              |              |
| Opening Balance                              | 25.14        | 25.14        | 20.50        |
| Add: Additions                               | 0.86         | 0.00         | 0.00         |
| Closing Balance                              | <b>25.99</b> | <b>25.14</b> | <b>20.50</b> |

### 2.15 Trade Payables

| PARTICULARS                      | 2018           | 2017          | April 1 2016   |
|----------------------------------|----------------|---------------|----------------|
|                                  | Current        | Current       | Current        |
| Due to Micro & Small Enterprises | -              | -             | -              |
| Dues to others                   |                |               |                |
| For Raw material                 | 1311.72        | 468.94        | 752.29         |
| For Packing Material             | 0.00           | 0.00          | 0.00           |
| For Expenses                     | 228.92         | 130.23        | 266.50         |
| For Capital Goods                | 117.60         | 105.69        | 44.17          |
| <b>Total</b>                     | <b>1658.23</b> | <b>704.86</b> | <b>1062.95</b> |

## ORTIN LABORATORIES LIMITED

### 2.16 Other financial liabilities

| PARTICULARS               | 2018          | 2017          | April 1 2016  |
|---------------------------|---------------|---------------|---------------|
|                           | Current       | Current       | Current       |
| Current Maturities of LTD | 120.19        | 79.75         | 83.45         |
| Bills Payable             | 599.97        | 500.76        | 599.82        |
| Staff Creditors           | 46.76         | 47.55         | 30.57         |
| Liability for Expenses    | 175.51        | 142.00        | 100.24        |
| <b>Total</b>              | <b>942.42</b> | <b>770.06</b> | <b>814.08</b> |

### 2.17 Provisions

| PARTICULARS       | 2018         | 2017         | April 1 2016 |
|-------------------|--------------|--------------|--------------|
| Provision for tax | 38.75        | 43.51        | 49.98        |
| <b>Total</b>      | <b>38.75</b> | <b>43.51</b> | <b>49.98</b> |

### 2.18 Revenue from operations

| PARTICULARS                    | 2018           | 2017           |
|--------------------------------|----------------|----------------|
| <b>Revenue from :</b>          |                |                |
| Operating Activities           | 7970.37        | 6187.27        |
| Add: Excise Duty               | 90.97          | 486.66         |
| Add: Other Operating Income    | 0.85           | 1.48           |
| <b>Revenue from operations</b> | <b>8062.19</b> | <b>6675.41</b> |

### 2.19 Other income

| PARTICULARS                            | 2018         | 2017         |
|--|--------------|--------------|
| Interest Received                      | 11.04        | 10.84        |
| Profit on Foreign Exchange Fluctuation | 0.00         | 2.17         |
| Discount on Purchase                   | 0.00         | 0.19         |
| Rental charges- vodafone tower         | 0.12         | 0.00         |
| Service Charges Income                 | 0.06         | 0.44         |
| Subsidy on Electrical Charges          | 0.00         | 11.27        |
| Commission on Sales                    | 0.00         | 4.01         |
| Miscellaneous Income                   | 4.76         | 1.99         |
| Profit on Sale of Asset                | 29.34        | 0.96         |
| Insurance Claim Received               | 0.00         | 0.36         |
| <b>Total</b>                           | <b>45.33</b> | <b>32.23</b> |

## ORTIN LABORATORIES LIMITED

### 2.20 Cost of materials consumed

| PARTICULARS         | 2018            | 2017            |
|---------------------|-----------------|-----------------|
| Raw Material        | 6396.94         | 4128.56         |
| Purchases           | 1380.30         | 1100.06         |
| Add: Opening Stock  | 7777.24         | 5228.62         |
|                     | 2147.66         | 1380.30         |
| Less: Closing Stock | 5629.58         | 3848.32         |
|                     | 0.00            | 0.00            |
| Packing Materials   | 0.00            | 0.00            |
| Purchases           | 0.00            | 0.00            |
| Add: Opening Stock  | 0.00            | 0.00            |
| Less: Closing Stock | 0.00            | 0.00            |
| <b>Total</b>        | <b>5,629.58</b> | <b>3,848.32</b> |

### Purchase of Stock in Trade

| PARTICULARS                 | 2018 | 2017 |
|-----------------------------|------|------|
| Purchases of stock-in-Trade | 0.00 | 0.00 |

### 2.21 Changes in inventories

| PARTICULARS    | 2018          | 2017          |
|----------------|---------------|---------------|
| Finished goods |               |               |
| Opening        | 359.57        | 583.94        |
| Closing        | 230.00        | 359.57        |
|                | 129.57        | 224.37        |
| <b>Total</b>   | <b>129.57</b> | <b>224.37</b> |

### 2.22 Employee benefits expense

| PARTICULARS                               | 2018          | 2017          |
|---|---------------|---------------|
| Salaries & Wages                          | 235.49        | 208.44        |
| Director Remuneration                     | 53.86         | 75.90         |
| Contribution to provident and other funds | 18.62         | 19.41         |
| Staff Welfare, Recruitment Expenses       | 23.03         | 26.13         |
| Other Allowances                          | 0.00          | 0.00          |
| Bonus                                     | 0.00          | 0.00          |
| Exgratia & Gratuity                       | 1.28          | 4.64          |
|   | <b>332.28</b> | <b>334.51</b> |

## ORTIN LABORATORIES LIMITED

### 2.23 Finance costs

| PARTICULARS           | 2018          | 2017          |
|-----------------------|---------------|---------------|
| Interest Expense      | 279.60        | 254.58        |
| Other borrowing costs | 69.06         | 38.30         |
|                       | <b>348.66</b> | <b>292.87</b> |

### 2.24 Other expenses

| PARTICULARS                         | 2018            | 2017            |
|-------------------------------------|-----------------|-----------------|
| Rates and taxes                     | 3.34            | 4.82            |
| Insurance                           | 5.11            | 5.03            |
| Legal and Professional charges      | 22.52           | 25.67           |
| ROC Expenses                        | 0.30            | 0.40            |
| Stamp Duty                          | 0.00            | 0.00            |
| Communication expenses              | 6.99            | 6.86            |
| Travel & conveyance expenses        | 52.62           | 17.88           |
| Rent Office & Godown                | 9.57            | 7.37            |
| Power & Fuel                        | 410.13          | 474.85          |
| Sales & Business Promotion          | 7.12            | 7.36            |
| Payment to Auditors                 |                 |                 |
| Statutory audit                     | 2.00            | 2.50            |
| Tax audit                           | 0.00            | 0.30            |
| Taxation and Other Matters          | 0.00            | 0.45            |
| Cost Audit Fees                     | 0.00            | 0.85            |
| Repairs & Maintenance Expenses      | 125.84          | 88.45           |
| Consumption of Stores               | 147.80          | 110.92          |
| Discount & Rebate                   | 8.43            | 27.66           |
| Freight & Transportation            | 20.86           | 24.74           |
| Labour Wages                        | 302.83          | 297.26          |
| Security Charges                    | 16.37           | 21.48           |
| Printing & Stationery               | 8.40            | 7.21            |
| Miscellaneous expenses              | 97.55           | 55.05           |
| Job Work Charges                    | 72.68           | 36.67           |
| Customs Duty                        | 5.77            | 13.62           |
| Interest Paid to Srinidhi infin Ltd | 0.00            | 0.69            |
| CSR                                 | 0.37            | 5.49            |
| VAT Input Disallowed                | 0.00            | 3.01            |
| Maharashtra VAT Tax - Penalty paid  | 0.00            | 0.42            |
| Expected Credit Loss                | 13              | -9.52           |
| Excise Duty                         | 91              | 486.64          |
|                                     | <b>1,430.84</b> | <b>1,724.13</b> |



## **2.25 First-time adoption of Ind AS**

These financial statements, for the year ended 31st March 2018, are the first set of financial statements the Company has prepared in accordance with Indian Accounting Standards (Ind ASs). For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

### **Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company adopted not to measure any item of property, plant and equipment at its fair value at the Transition Date. Accordingly, on the transition date, the net carrying value of the property, plant and equipment and intangible assets shall be considered as deemed cost for Ind AS purposes.

### **Estimates**

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – Quoted equity shares
- Impairment of financial assets based on expected credit loss model ("ECL model")

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

## ORTIN LABORATORIES LIMITED

(Amount in Rs Lakhs)

| Particulars  | Equity as at<br>31 <sup>st</sup> March 2017 | Equity as at<br>1 <sup>st</sup> April 2016 |
|--|---|--|
|  | (Audited)                                   | (Audited)                                  |
| <b>Equity as per Previous GAAP</b>                       | <b>2366.56</b>                              | <b>2327.25</b>                             |
| Impact of fair valuation of investments in Equity Shares | 3.92  | 2.43                                       |
| Impairment of trade receivables due to ECL model         | (30.59)                                     | (40.11)                                    |
| <b>Equity as per IND AS</b>                              | <b>2339.88</b>                              | <b>2289.56</b>                             |

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2017

(Amount in Rs Lakhs)

| Particulars   | Year ended<br>31 <sup>st</sup> March<br>2017 |
|---|--|
|   | (Audited)                                    |
| <b>Net profit as per Previous GAAP</b>  | <b>39.31</b>                                 |
| a) Impact on account of measuring investments at fair value through profit and loss | 1.49   |
| b) Impairment of trade receivables due to ECL model                                 | 9.52   |
| <b>Net profit as per IND AS</b>   | <b>50.32</b>                                 |
| Other comprehensive Income (Net of Tax)   | ----   |
| <b>Total Comprehensive Income under IND AS</b>                                      | <b>50.32</b>                                 |

### FVTPL Financial assets

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under IndAS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as a separate component of equity, in the retained earnings.

### Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable by Rs.40.11 Lakhs on 1st April 2016 which has been eliminated against retained earnings. The company impaired its trade receivable by Rs.30.59 Lakhs on 31st March 2017, such increase in impairment has been recognized in the profit the loss account for the year ended 31st March 17.

### Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss. Thus sale of goods under Ind AS for the year ended 31 March 2017 has increased by Rs. 486.66Lakhs with a corresponding increase in other expenses.

## ORTIN LABORATORIES LIMITED

### 2.26 Auditors Remuneration

(Amount in Rs Lakhs)

|                  | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
|------------------|-------------------------------------|-------------------------------------|
| a) Audit fees    | 2.00                                | 2.80                                |
| b) Other charges |                                     |                                     |
| Taxation matters | --                                  | 0.45                                |
| <b>TOTAL</b>     | <b>2.00</b>                         | <b>3.25</b>                         |

### 2.27 Earnings per Share

(Amount in Rs Lakhs)

| Particulars  | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| <b>Earnings</b>  |                                     |                                     |
| Profit attributable to equity holders  | <b>67.92</b>                        | <b>50.32</b>                        |
| <b>Shares</b>  |                                     |                                     |
| Number of shares at the beginning of the year  | 169.40                              | 169.40                              |
| Add: Equity shares issued  | -                                   | -                                   |
| Less: Buy back of equity shares  | -                                   | -                                   |
| Total number of equity shares outstanding at the end of the year   | 169.40                              | 169.40                              |
| <b>Weighted average number of equity shares outstanding during the year Basic</b>  | <b>169.40</b>                       | <b>169.40</b>                       |
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | -                                   | -                                   |
| <b>Weighted average number of equity shares outstanding during the year Diluted</b>  | <b>169.40</b>                       | <b>169.40</b>                       |
| <b>Earnings per share of par value Rs.10/- – Basic (₹)</b>   | <b>0.40</b>                         | <b>0.30</b>                         |
| <b>Earnings per share of par value Rs.10/- – Diluted (₹)</b>   | <b>0.40</b>                         | <b>0.30</b>                         |

### 2.28 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

- Mr. S. Murali Krishna Murthy – Managing Director
- Mr. G VenkataRamana - Joint Managing Director
- Mr. S. Mohan Krishna Murthy – Whole Time Director
- Mr. S. BalajiVenkateswarulu – Whole Time Director

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- Mr. S. Srinivas Kumar – Whole Time Director
- Bh. SatyanarayanaRaju – Whole Time Director
- Mr. J R K PandurangaRao - Independent Director
- Mr. M. Tippayya – Independent Director
- Mr. K. PradyumnaTeja – Independent Director
- Mr. T. Seshagiri – Independent Director
- Mr. B. Gopala Reddy – Independent Director
- Mrs.LaxmiSravaniDasari – Non Executive Director
- Mr.Bh. SatyanarayanaRaju– CFO
- Mr.SharvariSwapnilShinde-Company Secretary

The following is a summary of significant related party transactions:

(Amount in Rs Lakhs)

| Particulars                        | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|------------------------------------|---------------------------------------|---------------------------------------|
| <b>a) Key managerial personnel</b> |                                       |                                       |
| <b><i>Remuneration</i></b>         |                                       |                                       |
| Mr. S. Murali Krishna Murthy       | 5.40                                  | 15                                    |
| Mr. S. Mohan Krishna Murthy        | 2.85                                  | 9.60                                  |
| Mr.S. BalajiVenkateswarulu         | 5.40                                  | 9.60                                  |
| Mr. S. Srinivas Kumar              | 5.40                                  | 9.60                                  |
| Mr. G VenkataRamana                | 19.81                                 | 19.20                                 |
| Mr.Bh. SatyanarayanaRaju           | 15                                    | 13.50                                 |
| Mr.SharvariSwapnilShinde           | 0.50                                  | 0.00                                  |
| <b><i>Sitting Fee</i></b>          |                                       |                                       |
| Mr. J R K PandurangaRao            | 0.05                                  | 0.04                                  |
| Mr. M. Tippayya                    | 0.05                                  | 0.04                                  |
| Mr. T. Seshagiri                   | 0.01                                  | 0.03                                  |
| Mr. B. Gopala Reddy                | 0.04                                  | 0.04                                  |
| <b>TOTAL</b>                       | <b>54.51</b>                          | <b>76.65</b>                          |

## ORTIN LABORATORIES LIMITED

### Other related party transactions

| Particulars   | For the year ended<br>31st March 2018 | For the year<br>ended<br>31st March 2017 |
|---|---------------------------------------|--|
| <b><i>Sri saikrishna marketing associates-associate firm</i></b>    |                                       |  |
| Sales   | 43.85                                 | 159.133                                  |
| Purchases   | 16.82                                 | 33.788                                   |
| Trade Receivables   | 185.73                                | 242.50                                   |
| <b><i>Wohler Laboratories Private Limited-associate company</i></b> |                                       |  |
| Sales   | 354.73                                | 1.08                                     |
| Purchases   | -----                                 | 249.79                                   |
| Trade Receivables /(Payables)                                       | 254.95                                | (1.88)                                   |
| <b><i>Unsecured Loans received by the company</i></b>               |                                       |  |
| S.BalajiVenkateshwarlu-Director                                     | 20.39                                 | 16.69                                    |
| S.Mohan Krishna Murthy-Director                                     | 35.99                                 | 22.16                                    |
| S.Murali Krishna Murthy-Managing Director                           | 44.62                                 | 32.22                                    |
| S.Srinivas Kumar-Director   | 33.06                                 | 31.36                                    |
| Bh.SatyanarayanaRaju-Director                                       | 3.78                                  | 11.43                                    |
| G.VenkataRamana-Joint Managing Director                             | 0.079                                 | 2.08                                     |
| Srinidhilfin Limited-Entity in which directors are interested       | 85.10                                 | 29.09                                    |

### 2.29 Segment Reporting:

The Company concluded that there is only one operating segment i.e Manufacturing of Pharmaceutical products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

### 2.30 Income Taxes:

#### a. **Income tax expense/ (benefit) recognized in the statement of profit and loss:**

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

## ORTIN LABORATORIES LIMITED

(Amount in Rs Lakhs)

| Particulars   | For the Year Ended 31 <sup>st</sup> March |              |
|---|---|--------------|
|   | 2018                                      | 2017         |
| <i>Current taxes expense</i>  |   |              |
| Domestic  | 38.75                                     | 43.20        |
| <i>Prior year tax adjustments</i>   | 14.31                                     | 12.53        |
| <i>Deferred taxes expense/(benefit)</i>   |   |              |
| Domestic  | (52.95)                                   | 7.01         |
| <b>Total income tax expense/<br/>(benefit) recognized in the<br/>statement of profit and loss</b> | <b>0.11</b>                               | <b>62.74</b> |

### b.Reconciliation of Effective tax rate:

(Amount in Rs Lakhs)

| Particulars                                      | For the Year Ended 31 March |               |
|--|-----------------------------|---------------|
|  | 2018                        | 2017          |
| <b>Profit before income taxes</b>                | <b>68.04</b>                | <b>113.05</b> |
| Enacted tax rate in India                        | 33.06%                      | 33.06%        |
| <b>Computed expected tax benefit/(expense)</b>   | <b>22.49</b>                | <b>37.37</b>  |
| <b>Effect of:</b>                                |                             |               |
| Expenses not deductible for Tax purposes         | 77.73                       | 63.14         |
| Expenses deductible for Tax purposes             | (61.48)                     | (57.32)       |
| Taxable at Special Rates                         |                             |               |
| <b>Income tax benefit/(expense) for the year</b> | <b>38.75</b>                | <b>43.20</b>  |
| <b>Effective tax rate</b>                        | <b>56.95%</b>               | <b>38.21%</b> |

The Company's average effective tax rate for the years ended March 31, 2018 and 2017 were 56.95% and 38.21%, respectively.

### c. Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

(Amount in Rs Lakhs)

| Particulars                                      | For the Year Ended 31 March |                 |
|--|-----------------------------|-----------------|
|  | 2018                        | 2017            |
| <b><i>Deferred tax assets/(liabilities):</i></b> |                             |                 |
| <b>Property, plant and equipment</b>             | (252.92)                    | (305.87)        |
| <b>Net deferred tax assets/(liabilities)</b>     | <b>(252.92)</b>             | <b>(305.87)</b> |

## ORTIN LABORATORIES LIMITED

**d. Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2017:**

(Amount in Rs Lakhs)

| Particulars                                  | As at 1 April 2016 | Recognized in statement of profit and loss | Recognized in equity | As at 31 March 2017 |
|--|--------------------|--|----------------------|---------------------|
| <b>Deferred tax assets/(liabilities)</b>     |                    |  |                      |                     |
| <b>Property, plant and equipment</b>         | (298.86)           | (7.01)                                     | -                    | (305.87)            |
| <b>Net deferred tax assets/(liabilities)</b> | <b>(298.86)</b>    | <b>(7.01)</b>                              | -                    | <b>(305.87)</b>     |

[Continued from above table, first column(s) repeated]

| Particulars                                  | As at 1 April 2017 | Recognized in statement of profit and loss | Recognized in equity | As at 31 March 2018 |
|--|--------------------|--|----------------------|---------------------|
| <b>Deferred tax assets/(liabilities)</b>     |                    |  |                      |                     |
| <b>Property, plant and equipment</b>         | (305.87)           | (52.94)                                    | -                    | (252.92)            |
| <b>Net deferred tax assets/(liabilities)</b> | <b>(305.87)</b>    | <b>(52.94)</b>                             |                      | <b>(252.92)</b>     |

### 2.31 Investments:

Investments consist of investments in equity shares of Welicure drugs & pharmaceuticals limited and investments in mutual funds measured at Fair value through Profit & Loss Account.

#### The details of such Investments as of 31st March 2017 are as follows:

(Amount in Rs Lakhs)

| Particulars  | Cost        | Gain recognized directly in equity | Gain recognized directly in profit and loss account | Fair value  |
|--|-------------|------------------------------------|---|-------------|
| <i>Non-current Investments</i>   |             |                                    |   |             |
| Investment in Equity shares of Well cure drugs & pharmaceuticals limited | 0.08        | (0.07)                             | 0.006   | 0.012       |
| Investments in mutual funds  | 3           | 2.50                               | 1.48  | 6.98        |
| <b>Total</b>   | <b>3.08</b> | <b>2.43</b>                        | <b>1.54</b>   | <b>7.00</b> |

#### The details of such investments as of 31st March 2018 are as follows:

(Amount in Rs Lakhs)

| Particulars   | Cost        | Gain recognized directly in equity | Gain recognized directly in profit and loss account | Fair value  |
|---|-------------|------------------------------------|---|-------------|
| <i>Non-current Investments</i>  |             |                                    |   |             |
| Investment in Equity shares of Welicure drugs & pharmaceuticals limited | 0.08        | (0.07)                             | (0.0012)  | 0.0042      |
| Investments in mutual funds   | 3           | 2.50                               | 2.34  | 7.84        |
| <b>Total</b>  | <b>3.08</b> | <b>2.43</b>                        | <b>2.34</b>   | <b>7.84</b> |

## ORTIN LABORATORIES LIMITED

### 2.32 Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Amount in Rs Lakhs)

| Particulars                          | Carrying value |                |                | Fair value     |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                      | Mar-18         | Mar-17         | Apr-16         | Mar-18         | Mar-17         | Apr-16         |
| <b>Financial assets</b>              |                |                |                |                |                |                |
| Cash and cash equivalents            | 169.22         | 143.03         | 166.36         | 169.22         | 143.03         | 166.36         |
| Investments                          | 3.08           | 3.08           | 3.08           | 7.84           | 7.00           | 5.51           |
| Trade receivables                    | 2228.76        | 1554.59        | 2038.18        | 2184.90        | 1524           | 1998.07        |
| Other financial assets-Non current   | 67.47          | 57.25          | 43.62          | 67.47          | 57.25          | 43.62          |
| Other financial assets-current       | 31.81          | 26.30          | 22.71          | 31.81          | 26.30          | 22.71          |
| <b>Total</b>                         | <b>2500.34</b> | <b>1784.25</b> | <b>2273.95</b> | <b>2461.24</b> | <b>1757.58</b> | <b>2236.27</b> |
| <b>Financial liabilities</b>         |                |                |                |                |                |                |
| Borrowings                           | 148.26         | 141.59         | 223.54         | 148.26         | 141.59         | 223.54         |
| Trade payables                       | 1658.23        | 704.86         | 1062.95        | 1658.23        | 704.86         | 1062.95        |
| Other liabilities-Non Current        | 369.12         | 290.97         | 256.55         | 369.12         | 290.97         | 256.55         |
| Other financial liabilities- Current | 942.42         | 770.06         | 814.08         | 942.42         | 770.06         | 814.08         |
| <b>Total</b>                         | <b>3118.03</b> | <b>1907.48</b> | <b>2357.12</b> | <b>3118.03</b> | <b>1907.48</b> | <b>2357.12</b> |

### 2.33 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

#### a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables-The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Rs.43.87 lakhs as at 31 March 2018 and Rs.30.59 lakhs at 31st March 2017.



## ORTIN LABORATORIES LIMITED

The Company's credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below:

| Particulars      | As of 31 March |                |
|------------------|----------------|----------------|
|                  | 2018           | 2017           |
| Period (in days) |                |                |
| 1 – 90           | 920.02         | 568.63         |
| 90 – 180         | 731.53         | 487.73         |
| More than 180    | 577.21         | 498.23         |
| <b>Total</b>     | <b>2228.76</b> | <b>1554.59</b> |

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2018.

### Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31 March 2018 and 31 March 2017 are as follows:

(Amount in Rs Lakhs)

| Particulars                                 | For the Year Ended 31 March |             |
|---|-----------------------------|-------------|
|   | 2018                        | 2017        |
| <b>Balance at the beginning of the year</b> | 2228.76                     | 1554.59     |
| Impairment of Trade receivables             | (43.87)                     | (30.59)     |
| <b>Balance at the end of the year</b>       | <b>2184.90</b>              | <b>1524</b> |

### Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2018 and 2017, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31 March 2018, the Company had working capital (current assets less current liabilities) of Rs. 1073.26 lakhs including cash and cash equivalents of Rs.169.22Lakhs and investments in FVTPL financial assets of Rs. 7.84 lakhs .As of 31 March 2017, the Company had working capital of Rs. 772.31 lakhs, including cash and cash equivalents of Rs.143.03 lakhs and investments in FVTPL financial assets of Rs.7.00 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018:

## ORTIN LABORATORIES LIMITED

(Amount in Rs Lakhs)

| Particulars   | 2019    | 2020  | 2021  | 2022 | Thereafter | Total          |
|---|---------|-------|-------|------|------------|----------------|
| Trade payables  | 1658.23 | -     | -     | -    | -          | <b>1658.23</b> |
| Long term borrowings-Term Loan                          | 89.28   | 59.52 | 29.76 |      |            | <b>119.04</b>  |
| Long term borrowings-Vehicle loan                       | 18.07   |       |       |      |            |                |
| Long term borrowings-Interest free<br>Sales tax deposit |         |       |       |      | 11.16      | <b>11.16</b>   |
| Bank overdraft, short-term loans and<br>borrowings*     | 1465.94 | -     | -     | -    | -          | <b>1465.94</b> |
| Other financial liabilities-Current                     | 942.42  | -     | -     | -    | -          | <b>942.42</b>  |

\*Note: The Bank Overdraft and other liabilities are payable on demand.

### Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

#### Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

| Particulars              | 2018          | 2017          |
|--------------------------|---------------|---------------|
| Total Debt               | 1614.21       | 1654.08       |
| Total Equity             | 2407.80       | 2339.88       |
| <b>Debt Equity Ratio</b> | <b>0.67:1</b> | <b>0.71:1</b> |

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## ORTIN LABORATORIES LIMITED

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### 2.34 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

(Amount in Rs Lakhs)

| Particulars   | 2018          | 2017          |
|---|---------------|---------------|
| <b>Contingent Liabilities</b>   |               |               |
| a) Letter of credit outstanding   | 599.97        | 500.76        |
| b) Demand raised by excise department for FY 2010-11 to 2011-12                             | 10.03         | 10.03         |
| c) Demand raised by Income tax department for FY 2013-14 TO 2014-15                         | 7.09          | 7.09          |
| d) Demand raised by Mumbai Sales tax department for FY 2008-09, FY 2009-10 and FY 2010-11 * | 88.20         | 88.20         |
|   | <b>606.08</b> | <b>606.08</b> |

As per our report of even date  
For Sathuluri & Co.,  
Chartered Accountants

Sd/-  
S.S.Prakash  
Proprietor  
M.No. 202710  
F.R.No. 006383S

Place: Hyderabad  
Date: 30.05.2018

For and on behalf of Board  
For ORTIN LABORATORIES LTD

Sd/-  
S. MURALI KRISHNA MURTHY  
Managing Director (DIN: 00540632)

Sd/-  
Bh. SATYA NARAYANA RAJU  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
G. VENKATA RAMANA  
Joint Managing Director (DIN : 00031873)

Sd/-  
Sharvari Swapnil Shinde  
Company Secretary

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## ORTIN LABORATORIES LIMITED

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### Form No. MGT-11

#### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24110TG1986PLC006885  
Name of the company : Ortin Laboratories Limited  
Registered office : D. No: 3-4-512/35 (43/4RT), opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027, Telangana

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....

Address : \_

E-mail Id :

Signature: ....., or failing him

2. Name : .....

Address:

E-mail Id:

Signature: ....., or failing him

3. Name : .....

Address:

E-mail Id:

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> day of September, 2018 at 11.30 a.m at D. No: 3-4-512/35 (43/4RT), opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

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## ORTIN LABORATORIES LIMITED

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### Resolutions:

1. Approval of financial statements for the year ended 31.03.2018.
2. Appointment of Mr. S. Mohan Krishna Murthy as Whole-time Director who retires by rotation.
3. Appointment of Mr. S. Balaji Venkateswarlu as Whole-time Director who retires by rotation
4. Re-appointment of Mr. J. R. K. Panduranga Rao as independent director of the company
5. Re-appointment of Mr. K. Pradyumna teja as independent director of the company
6. Re-appointment of Mr. T. Seshagiri as independent director of the company
7. Re-appointment of Mr. B. Gopal reddy as independent director of the company
8. Appointment of Mrs. T. Uma sangeetha as independent director of the company
9. Re-appointment and revision of remuneration of s. Murali krishna murthy is Managing Director of the company
10. Re-appointment and revision of remuneration of G. Venkata Ramana as Joint Managing Director of the company
11. Re-appointment and revision of remuneration of S. Mohan Krishna Murthy as Whole-Time Director of the company
12. Re-appointment and revision of remuneration of S. Balaji Venkateswarlu as Whole-Time Director of the company
13. Re-appointment and revision of remuneration of S. Srinivasa Kumar as Whole-Time Director of the Company
14. Re-appointment and revision of remuneration of B. Satyanarayana Raju as Whole-Time Director cum CFO of the company
15. Ratification of appointment and payment of remuneration to the Cost auditor for the financial year 2018-2019

Signed this ..... day of..... 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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## ORTIN LABORATORIES LIMITED

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### ATTENDANCE SLIP (Please present this slip at the Meeting venue)

I hereby record my presence for the 31<sup>st</sup> Annual General Meeting of the members to be held on Saturday, 29<sup>th</sup> day of September, 2018 at 11.30 a.m. at D. No: 3-4-512/35 (43/4RT), opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

## ORTIN LABORATORIES LIMITED

### STATEMENT SHOWING DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### Rule 5 (1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

| Sl. No. | Particulars  | Details   |
|---------|--|---|
| 1.      | The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.  | The ratio of remuneration of Managing Director (S. Murali Krishna Murthy), Joint Managing Director (G. Venkata Ramana), Wholetime Directors (S. Mohan Krishna Murthy, S. Balaji Venkateswarulu, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) to the median remuneration of employees is 4.46:1, 16.35:1, 2.35:1, 4.46:1, 4.46:1 and 12.38:1 respectively. |
| 2.      | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year  | 3.18% (G. Venkata Ramana) and 11.11 % (B. Satyanarayana Raju)   |
| 3.      | The percentage increase in the median remuneration of employees in the financial year  | 7%  |
| 4.      | The number of employees on the rolls of the company  | 85  |
| 5.      | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration | Average percentile increase already made in the salaries of employees is 7% and is in line with the average percentile increase in managerial remuneration  |
| 6.      | Affirmation that the remuneration is as per the remuneration policy of the company.  | Yes   |

ROUTE MAP FOR AGM VENUE





*If undelivered please return to :*  
**ORTIN LABORATORIES LIMITED**  
D. No: 3-4-512/35 (43/4RT),  
Opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027