



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1. Name of the Company	Ortin Laboratories Limited
2. Annual Financial Statements for the Year ended	31 March 2014
3. Type of Audit Observation	NIL
4. Frequency of Observation	Not Applicable

Signed by

For Ortin Laboratories Limited

S. Murali Krishna Murthy
Managing Director



For Ortin Laboratories Limited

K. Pradyumna Teja
Audit Committee Chairman



For Mathesh & Ramana
Chartered Accountants

B. V. Ramana Reddy
Partner



Place: Hyderabad

Date: 01.09.2014



ORTIN LABORATORIES LIMITED

Flat No.502, Palem Towers, Barkatpura, Hyderabad-500 027,
Telangana, India

Ph : +91 40 27562055, Fax : +91 40 66103055

E-mail : info@ortinlabsindia.com

Website : www.ortinlabsindia.com

27th

ANNUAL REPORT

2013-2014

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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. Srinivasa kumar	- Whole Time Director	(DIN: 02010272)
6. Mr. B. Satyanarayana Raju	- Whole Time Director	(DIN: 02697880)
7. Mr. D. Jagannadha Raju	- Whole Time Director	(DIN: 03268766)
8. Mr. J. R. K. Panduranga Rao	- Independent Director	(DIN: 00294746)
9. Mr. M. Tippayya	- Independent Director	(DIN: 00306985)
10. Mr. K. Pradyumna Teja	- Independent Director	(DIN: 03074013)
11. Mr. T. Seshagiri	- Independent Director	(DIN: 06715818)
12. Dr. B. Gopal Reddy	- Independent Director	(DIN: 06716560)

Auditors:

M/s. Mathesh & Ramana, Chartered Accountants,
3-6-145, Himayath Nagar, Hyderabad-500029. (INDIA)

Registered Office:

Flat no. 502, Palem towers, Barkathpura,
Hyderabad-500027, Ph:040-27562055,
Fax:040-66103055, email: info@ortinlabsindia.com

Works:**Unit 1 :**

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

Unit 2 :

Sy.No.300, Malkapur Village, Choutuppal
Mandal, Nalgonda District (Telangana) (INDIA)

Audit Committee:

- 1) Mr. J.R.K. Pandu Ranga Rao
- 2) Mr. K. Pradyumna Teja
- 3) Mr. S.Srinivas Kumar

Nomination & Remuneration Committee:	1) Mr. K. Pradyumna Teja 2) Mr. T. Seshagiri 3) Mr. J.R.K. Pandu Ranga Rao
Stakeholder Relationship Committee:	1) Mr. K. Pradyumna Teja 2) Mr. J. R. K. Panduranga Rao 3) Mr. S. Mohan Krishna Murthy
Bankers:	Karnataka Bank Ltd., Nampally Station Road, Hyderabad- 500001
Listing / Trading :	1) Madras Stock Exchange Limited 2) BSE Limited (Indo Next Segment)
Registrar & Share Transfer Agents:	M/s. Karvy Computershare Private Ltd, Plot No.17-24 Vithalrao Nagar, Madhapur, Hyderabad - 500081 Ph No. 040 - 44655208
Demat ISIN Number CDSL & NSDL:	INE749B01012
Website:	www.ortinlabsindia.com
Investor Email-Id:	info@ortinlabsindia.com
Corporate Identity Number:	L24110AP1986PLC006885

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of M/s. Ortin Laboratories Limited will be held on Tuesday, the 30th September, 2014 at 11.00 A.M. at the Registered office of the Company at Flat no. 502, Palem towers, Barkatpura, Hyderabad – 500 027, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, 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. D. Jagannadha Raju (holding DIN: 03268766) who retires by rotation and has not opted for re-appointment.
3. To appoint a director in place of Mr. S. Balaji Venkateswarlu (holding DIN: 02010148) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Mathesh & Ramana, Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a term of three years up to the conclusion of 30th Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. 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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. K. Pradyumna Teja (DIN - 03074013), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, not liable to retire by rotation.”

6. 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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. K. Panduranga Rao (DIN - 00294746), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, not liable to retire by rotation.”

7. 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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. M. Tippayya (DIN - 00306985), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, not liable to retire by rotation.”

8. 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 there under, Mr. T. Seshagiri (DIN - 06715818), who was appointed 'Additional Director' in the Board of the Company on 01.06.2014 in terms of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, 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 Mr. T. Seshagiri as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director upto 31st March, 2019, not liable to retire by rotation..”

9. 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 there under, Dr. B. Gopal Reddy (DIN - 06716560), who was appointed 'Additional Director' in the Board of the Company on 01.06.2014 in terms of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, 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 Dr. B. Gopal Reddy as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director upto 31st March, 2019, not liable to retire by rotation..”

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

“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a) In general clause of Article 2 the following definition is inserted after existing clause 2(r):

2(s) 'Electronic mode' means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- I. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;

- II. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
 - III. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
 - IV. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;
 - V. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
 - VI. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
 - VII. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
 - VIII. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.
- b) A new Clause 66(1) is being inserted under Article 66 which is as under:
“66(1). Service of documents through electronic mode
Notwithstanding anything contained in these articles and as per Section 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors' Report, Directors' Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules.”
- c) A new Sub Article 85(1) is being inserted after Article 85 which is as under:
“85(1). Voting by members through electronic mode
A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies act, 2013 and rules made there under and shall be eligible to vote only once for a single resolution.”
- d) A new Article 159 is being inserted after Article 158 which is as under:
“159. Maintenance of registers and records in electronic mode
Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder.”

f) A new Article 160 is being inserted after Article 159 which is as under:

“160. General Clause - Overriding effect of Companies Act, 2013

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made there under, the provisions of Companies Act, 2013 and rules made there under shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

Sd/-

S. Murali Krishna Murthy

Managing Director

DIN:00540632

Place: Hyderabad

Date: 01.09.2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
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 27.09.2014 to 30.09.2014 (Both days inclusive).
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item Nos. 2, 5 to 9.
5. The relevant details of Directors seeking appointment / re-appointment under item No. 2, 5, 6, 7, 8 and 9 of this Notice are provided in the Annual Report.
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
7. 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.
8. 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.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

10. 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.
11. 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 Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.
12. Electronic copy of the Annual Report for 2013-14 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 2013-2014 is being sent in the permitted mode.
13. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.ortinlabsindia.com for their download. The physical copies of the aforesaid documents will also be available at the 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.

14. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited.

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

Procedure of E-Voting In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, your Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computer share Private Limited

The instructions for E-voting are as follows:

- i. To use the following URL for e-voting: <http://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- iii. Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID

- iv. After entering the details appropriately, click on LOGIN.
 - v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to login again with the new credentials.
 - vii. On successful login, the system will prompt you to select the EVENT i.e., Ortin Laboratories Limited
 - viii. On the voting page, enter the number of shares as on the cutoff date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
 - x. 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. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
 - xii. The Portal will be open for voting from: 24.09.2014 to 26.09.2014 (being 3 days before the date of Annual General Meeting).
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001
- (B) In case of members receiving the Physical copy of Notice of AGM [for members whose e- mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:
- (i) Please follow all steps from sl. no. (i) to sl. no. (xiii) above, to cast vote.
- (C) 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 for e voting purpose i.e., 05.09.2014.
- (D) Mr. Vivek Surana, Practicing Company Secretary, C.P. No. 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (E) The Scrutinizer shall within a period not exceeding three (3) working days from the

conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- (F) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ortinlabsindia.com and on the website of Karvy Computershare Private Limited within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- (G) Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 26.09.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

Sd/-

S. Murali Krishna Murthy
Managing Director
DIN:00540632

Place: Hyderabad
Date: 01.09.2014

EXPLANATORY STATEMENT

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

ITEM NO. 5, 6 & 7

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. K. Pradyumna Teja, Mr. K. Panduranga Rao and Mr. M. Tippayya, Independent Directors were appointed as independent directors by the Members of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint them, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 01.04.2014, not liable to retire by rotation. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.ortinlabsindia.com.

The Board commends the Ordinary Resolutions as set out at item no. 5 to 7 for approval of the Members.

Except Mr. K. Pradyumna Teja, Mr. K. Panduranga Rao and Mr. M. Tippayya in their respective resolutions, none of the other directors, key managerial personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item Nos. 5 & 7.

ITEM NO. 8 & 9

Mr. T. Seshagiri & Mr. B. Gopal Reddy were appointed Additional Director on 01.06.2014, in terms of Section 161(1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto 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.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. T. Seshagiri & Dr. B. Gopal Reddy as 'Independent Director' for a term upto 31.03.2019, not liable to retire by rotation and pass the resolution set out at Item No. 8 & 9. The appointment of Mr. T. Seshagiri & Dr. B. Gopal Reddy is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mr. T. Seshagiri & Dr. B. Gopal Reddy has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that his continued association with the Company would benefit to the Company. Further, in the opinion of the Board, Mr. T. Seshagiri & Dr. B. Gopal Reddy fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and he is independent of the Management.

The Board recommends the Ordinary Resolutions as set out at item nos. 8 to 9 for approval of the Members.

Except Mr. T. Seshagiri & Dr. B. Gopal Reddy in their respective resolutions, none of the other directors, key managerial personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item Nos. 8 & 9.

ITEM NO 10:

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

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

Place: Hyderabad
Date: 01.09.2014

DIRECTORS' REPORT

To

The Members

We have pleasure in presenting the 27th Annual Report with Audited Statements of Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS:

(Rupees in Lakhs)

Particulars	2013-14	2012-13
Income	6774.13	7506.90
Expenditure	6626.81	7321.16
Profit for the year	168.28	185.74
Less: Tax & Prior period Expenditure	49.63	83.70
Less: Proposed Dividend	-	42.35
Net Profit carried to Balance Sheet	118.65	59.69

PERFORMANCE REVIEW:

The Company has recorded a turnover of Rs.6713.64 Lakhs and the profit of Rs.118.64 Lakhs in the current year against the turnover of Rs.7482.77 Lakhs and the profit of Rs.109.23 Lakhs in the previous financial year ending 31.03.2013.

DIVIDEND:

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

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your Company are listed on the Madras Stock Exchange Limited and are being traded on BSE Limited.

CAPITAL OF THE COMPANY:

The Authorised Share capital of the Company stands at Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided in to 2,00,00,000 equity shares of Rs.10/- and Subscribed, Paid up capital of the company is Rs.16,94,04,000/- (Rupees Sixteen Crores Ninety-four Lacks and Four Thousand only) divided in to 1,69,40,400 equity shares of Rs.10/- each.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary company.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

DIRECTORS:

During the year, Mr. T Seshagiri and Dr. B. Gopal Reddy were appointed as Additional Directors w.e.f. 01.06.2014. Now the Board proposes to appoint them as Independent Directors subject to necessary compliances.

Pursuant to the notification of Sec. 149 and other applicable provisions of Companies Act, 2013, your directors are seeking appointment of Mr. K. Pradyumna Teja, Mr. J. R. K. Panduranga Rao and Mr. M. Tippayya as Independent Directors for five consecutive years for a term upto 31st March, 2019. Details of the proposal for appointment of Mr. K. Pradyumna Teja, Mr. J. R. K. Panduranga Rao and Mr. M. Tippayya are mentioned in the Explanatory Statement under Section 102 of Companies Act, 2013 of the Notice of 27th Annual General Meeting.

In accordance with the Companies Act, 2013, Mr. S. Balaji Venkateswarlu and Mr. D. Jagannadha Raju retire by rotation and are eligible for reappointment. However Mr. D. Jagannadha Raju has not opted for re-appointment. The Board recommends the re-appointment of the Directors above.

Details of the Directors appointed, re-appointed

Name of the Director	Mr. K.Pradyumna Teja	Mr. J. R. K. Panduranga Rao	Mr. M. Tippayya	Mr. S. Balaji Venkateswarlu	Dr. B. Gopal Reddy	Mr. T Seshagiri
Date of Birth	06.08.1989	10.11.1936	15.05.1944	07.04.1963	26.01.1948	18.08.1954
Date of Appointment	14.06.2010	30.09.2006	30.09.2006	29.01.2008	01.06.2014	01.06.2014
Qualifications	CA	M. Pharmacy	B. Com, LLB	Graduate	MBBS	M. Pharmacy
No. of Shares held in the Company	Nil	Nil	Nil	1,75,927	Nil	Nil
Directorships held in other companies (excluding private limited and foreign companies)	Nil	Nil	Nil	Nil	Nil	Nil
Positions held in mandatory committees of other companies	Nil	Nil	Nil	Nil	Nil	Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm:

- i) that the directors in the preparation of the annual accounts have followed the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that 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.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on the going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 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:

- Foreign Exchange Earnings : Nil
- Foreign Exchange Outgo : Rs. 1.57 Lacs

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code of conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them code of conduct has also been placed on the website of the company A declaration signed by the Managing Director is given in Annexure.

AUDITORS:

M/s. Mathesh & Ramana, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The said

Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint them as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

AUDIT COMMITTEE:

During the year, (4) four meetings of the Audit Committee were held on the 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors forms part of this Report as Annexure.

ACKNOWLEDGMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders,

I, S. Murali Krishna Murthy, 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
M/s. Ortin Laboratories Limited

Sd/-

S. Srinivasa Kumar
Whole Time Director
DIN: 02010272

Sd/-

S. Murali Krishna Murthy
Managing Director
DIN: 00540632

Place: Hyderabad
Date: 01.09.2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY OVERVIEW:

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13 per cent during the period FY 2009–2013. The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, according to the report titled 'India Pharma 2020' by McKinsey & Co. An increase in insurance coverage, an ageing population, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favourable government initiatives are some of the important factors expected to drive the pharma industry in India. Pharmaceutical sales in India are expected to grow by 14.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called '2014 Global Life Sciences Outlook'. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines. The Andhra Pradesh government has announced a new life sciences policy for the state at the 11th edition of BioAsia 2014 in Hyderabad. According to the new policy, the state will provide subsidies in power, water and provide land for setting up of new life science industries in the state. The state government is planning to attract an investment of Rs 20,000 crore (US\$ 3.33 billion) by encouraging more industries in the segment.

Outlook:

The new report, Pharmacy Retail Market in India 2013, elaborates the changing role of pharmacy outlets and the gradual progression it is seeing towards building an organized format. The market is sustainable and is projected towards significant growth due to the already existing varied disease profile as well as the emerging new diseases and the growing population size being affected by such diseases.

The pharmacy sector forms the second largest share in the Indian healthcare sector. The sector sources its products through institutional and non institutional sales. The institutional sales is the sale of pharmaceuticals to hospitals, nursing homes and other such health institutions that purchase bulk drugs at discounted prices that results in partial decline in profit margin of manufacturers. Whereas, non institutional sales takes place through retail stores that happen to be the only form of sales channel that reaches directly to consumers and is a major source of revenue earning for the sector.

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 revenue earning drastically. The government is also taking major initiatives to provide medicines at subsidized rates as well as engage in tele consultation services 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 12 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.

Risk and concerns:

An effective risk management framework enhances the organization's ability to proactively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis.

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.

Operational and financial Performance:

The Company has recorded a turnover of Rs. 6713.64 Lakhs and the profit of Rs. 118.64 Lakhs in the current year against the turnover of Rs. 7482.77 Lakhs and the profit of Rs. 109.23 Lakhs in the previous financial year ending 31.03.2013.

Internal audit System:

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.

Human Resources:

During the year under review the company has taken several 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.

Cautionary Statement:

Statements in this Management Discussion and Analysis Report may be “forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report)

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

All the procedures, policies and practices followed by your Company are based on sound governance principles.

Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way business is done. The governance practices followed by your Company are continuously reviewed and the same are benchmarked to the best governed companies.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement.

II. BOARD OF DIRECTORS

An Independent director chairs the meeting of the Board of Directors. The Board of Directors consists of 12 Members of which 5 are Non-Executive Independent Directors. The Composition of the Board is in conformity with the listing requirements.

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 is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2014.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Investors Grievance Committees/Stakeholders Relationship Committee.

The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

The Board of Directors met 4 times during the year on, 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of Composition of Board of Directors, directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

S. No	Name of the Directors	Category	Attendance Particulars		Last AGM	No. of other Directorships and Committee memberships/chairmanships		
			No. of Board meetings during the tenure of the Director			Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1	Mr. S. Murali Krishna Murthy	Managing Director	4	4	Yes	Nil	Nil	Nil
2	Mr.G. Venkata Ramana	Joint Managing Director	4	4	Yes	Nil	Nil	Nil
3	Mr. B. Satyanarayana raju	Whole Time Director	4	4	Yes	Nil	Nil	Nil
4	Mr. S. Mohan Krishna Murthy	Whole Time Director	4	4	Yes	Nil	Nil	Nil
5	Mr. S. Srinivasa kumar	Whole Time Director	4	4	Yes	Nil	Nil	Nil
6	Mr. S. Balaji Venkateswarlu	Whole Time Director	4	1	Yes	Nil	Nil	Nil
7	Mr. J. R. K. Panduranga Rao	Non-Executive Independent Director	4	4	Yes	Nil	Nil	Nil
8	Mr. M. Tippayya	Non-Executive Independent Director	4	4	Yes	Nil	Nil	Nil
9	Mr. D. Jagannadha Raju	Whole Time Director	4	4	Yes	Nil	Nil	Nil
10	Mr. K. Pradyumna Teja	Non-Executive Independent Director	4	3	Yes	Nil	Nil	Nil
11	*Dr. B Gopal Reddy	Non-Executive Independent Director	N.A.	N.A.	N.A.	Nil	Nil	Nil
12	*Mr. T Seshagiri	Non-Executive Independent Director	N.A.	N.A.	N.A.	Nil	Nil	Nil

* appointed w.e.f. 01.06.2014

Board's Procedure:

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

Committees of the Board:

Currently, there are Three (3) Committees of the Board, namely: Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

III. AUDIT COMMITTEE

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii) The terms of reference of the Audit Committee include a review of;
 - 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:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements;
 7. 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.
- iii) The previous Annual General Meeting of the Company was held on 30th September, 2013 and Mr. K. Pradyumna Teja, Chairman of the Audit Committee, attended previous AGM.
- iv) The composition, meetings and the attendance during the year of the Audit Committee is given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2013-2014, (4) four meetings of the Audit Committee were held on the 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. K. Pradyumna Teja	Member	NED (I)	4	4
Mr. J.R.K. Pandu Ranga Rao	Member	NED (I)	4	4
Mr. S. Srinivas Kumar	Member	ED	4	3

NED (I): Non Executive Independent Director

ED : Executive Director

The necessary quorum was present at all the meetings.

IV. NOMINATION & REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. K. Pradyumna Teja	Chairman	NED (I)
Mr. M. Tippayya	Member	NED (I)
Mr. J.R.K. Pandu Ranga Rao	Member	NED (I)

NED (I) : Non Executive Independent Director

Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- ◆ To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- ◆ To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

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, individual performance etc.

The details of remuneration paid to the Executive Directors for the financial year 2013-14 are given below:

Name of the Director	Designation	Salary (Rs in Lakhs)
Mr. S. Murali Krishna Murthy	Managing Director	15.00
Mr. G. Venkata Ramana	Joint Managing Director	15.00
Mr. B. Satyanarayana raju	Whole Time Director	9.60
Mr. S. Mohan Krishna Murthy	Whole Time Director	9.60
Mr. S. Srinivas kumar	Whole Time Director	9.60
Mr. S. Balaji venkateswarlu	Whole Time Director	9.60
Mr. J. R. K. Panduranga Rao	Director	Nil
Mr. M. Tippayya	Director	Nil
Mr. D. Jagannadha Raju	Whole Time Director	10.80
Mr. K. Pradyumna Teja	Director	Nil
Mr. B. Gopal Reddy	Director	Nil
Mr. T. Seshagiri	Director	Nil

None of the director is drawing any commission, perquisites, retirement benefit etc.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition, meetings and the attendance during the year:

The Details of composition of the Committee are given below:

Name of the Director	Designation	Category
Mr. K. Pradyumna Teja	Chairman	NED (I)
Mr. J. R. K. Panduranga Rao	Member	NED (I)
Mr. S. Mohan Krishna Murthy	Member	ED

NED (I): Non Executive Independent Director

ED : Executive Director

B) Powers:

The Committee has been delegated with the following powers:

- to redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- to approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Board has designated Mr. S. Murali Krishna Murthy, Managing Director of the Company as the Compliance Officer.

The Company has designated an exclusive e-mail ID called **info@ortinlabsindia.com** for redressal of shareholders' complaints/grievances.

Complaints received and redressed by the Company during the financial year:

During the year 2 complaints were received.

S. No	Particulars	Remarks
1.	At the beginning of the year	0
2.	Received during the year	2
3.	Resolved during the year	2
4.	At the end of the year	0

VI. GENERAL BODY MEETINGS:

Financial Year	Date	Time	Venue	Special Resolution
2012-13	30.09.2013	11.00 A.M.	Flat no. 502, Palem towers, Barkatpura, Hyderabad - 500 027 Andhra Pradesh	No special resolution was passed.
2011-12	29.09.2012	11.00 A.M.	Flat no. 502, Palem towers, Barkatpura, Hyderabad - 500 027 Andhra Pradesh	1) Appointment of Mr. D. Jagannadha Raju as Whole-time Director. 2) Amendment of Articles to permit participation by the Directors and shareholders in the meetings through electronic mode including video-conferencing.
2010-11	30.09.2011	11.00 A.M.	Flat no. 502, Palem towers, Barkatpura, Hyderabad - 500 027 Andhra Pradesh	1) Re-appointment of Mr.S. Murali Krishna Murthy as Managing Director. 2) Re-appointment of Mr. S. Balaji Venkateswarlu as Whole Time Director. 3) Re-appointment of Mr. S. Srinivas Kumar as Whole Time Director. 4) Re-appointment of Mr. S. Mohan Krishna Murthy as Whole Time Director.

No resolution was passed through postal ballot during the financial year 2013 – 2014.

VII. OTHER DISCLOSURES

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) Whistle Blower policy: We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the Company. The mechanism provided direct access to the Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the Company. The Whistle Blower Policy has been posted on the Intranet of the Company.
- (e) The Company has complied with the non-mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- (f) Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

VIII. 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 one English newspaper and in one vernacular newspaper. These financial statements, press releases are also posted on the Company's website, at www.ortinlabsindia.com

IX. GENERAL SHAREHOLDERS INFORMATION

a) 27th Annual General Meeting:

Date and Time	Tuesday, the 30 September 2014 at 11.00 AM
Venue	Flat no. 502, Palem Towers, Barkatpura, Hyderabad - 500 027

b) Book Closure Date : 27.09.2014 to 30.09.2014 (Both days inclusive)

c) Financial Year and Calendar (Tentative) 2014-15:

The Company follows April to March as its Financial Year.

Financial Calendar

Financial Reporting for 2014-2015 (tentative)	On or before
The First Quarter results	14.08.2014
The Second quarter results	14.11.2014
The Third quarter results	14.02.2015
The Fourth quarter results	30.05.2015

d) Listing on Stock Exchanges : 1) Madras Stock Exchange Limited
2) BSE Limited (permitted category)

e) Listing Fees : Listing fee for the year 2014-15 has been paid

f) Stock Code : For equity shares: BSE: 590074

g) ISIN No. : For equity shares: - INE749B01012

h) Stock Price Data : The monthly high / low prices of shares of the Company from April, 2013 to March, 2014 at BSE Limited.

Month	High (Rs.)	Low (Rs.)
April, 2013	15.70	11.80
May, 2013	19.25	11.80
June, 2013	17.50	12.11
July, 2013	17.65	14.05
August, 2013	16.30	10.66
September, 2013	15.50	13.40
October, 2013	15.20	10.50
November, 2013	15.65	12.01
December, 2013	16.30	13.00
January, 2014	14.50	11.47
February, 2014	12.50	10.53
March, 2014	12.40	9.28

i) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):

Karvy Computershare Private Ltd,
Plot No. 17 - 24, Vithalrao Nagar, Madhapur,
Hyderabad - 500081
Ph No. 040 - 44655208

j) Share Transfer System:

The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

k) Shareholding Pattern as on 31st March, 2014:

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	7533679	44.47
	Sub-Total A	7533679	44.47
B	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non- Institutions		
a)	Bodies Corporate	1823153	10.76
b)	Indian public and others	7162546	42.28
c)	Any others		
	i) NRI's	418711	2.47
	ii) Clearing Members	2311	0.01
	Sub -Total B	9406721	55.53
	Grand Total (A+B)	16940400	100

l) Distribution of shareholding of the Company by number of shares held as on 31st March, 2014 is as follows:

Particulars	Shareholders		Shareholding	
	Number	%	Rs	%
1 - 5000	1174	62.75	1936970.00	1.14
5001 - 10000	238	12.72	2109920.00	1.25
10001 - 20000	148	7.91	2293020.00	1.35
20001 - 30000	72	3.85	1871020.00	1.10
30001 - 40000	31	1.66	1121910.00	0.66
40001 - 50000	33	1.76	1514770.00	0.89
50001 - 100000	52	2.78	3653290.00	2.16
100001 & Above	123	6.57	154903100.00	91.44
Total:	1871	100.00	169404000.00	100.00

m) Dematerialization of Shares:

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is INE749B01012. As on 31st March, 2014, 1,66,10,741 equity shares are dematerialized which is 98.05% of the paid up capital of the Company and out of which 52,69,060 shares are in CDSL and 1,13,41,681 shares are in NSDL and the balance are in physical form.

n) Address for Investors Correspondence:

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company at:

Flat no. 502, Palem towers, Barkatpura,
Hyderabad – 500 027, Telangana
Ph: 040-27562055, Fax: 040-66103055
Email: info@ortinlabsindia.com
www.ortinlabsindia.com

o) CEO/MD Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

p) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

Sd/-

S. Murali Krishna Murthy
Managing Director
DIN:00540632

Place: Hyderabad
Date: 01.09.2014

DECLARATION

To

The Members of Ortin Laboratories Limited

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and the Senior Management Personnel have been complied with by all the members of the Board and the Senior Management Personnel of the Company respectively.

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

Sd/-

S. Murali Krishna Murthy

Managing Director

DIN:00540632

Place: Hyderabad
Date: 01.09.2014

Managing Director certificate as per Clause 49(V) of the Listing Agreement:

MANAGING DIRECTOR CERTIFICATE

I, S. Murali Krishna Murthy, Managing Director of M/s. Ortin Laboratories Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - (a) Significant changes in internal controls over financial reporting during the year;
 - (b) Significant changes in the accounting policies during the year;
 - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

For and on behalf of the Board of
M/s. Ortin Laboratories Limited

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

Place: Hyderabad
Date: 01.09.2014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Ortin Laboratories Limited

We have examined the Compliance with conditions of Corporate Governance of M/s. Ortin Laboratories Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement with stock Exchanges.

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 Clause 49 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 Mathesh & Ramana
Chartered Accountants
Firm Reg. No. 002020s

Sd/-

B.V. Ramana Reddy
Partner
Membership No. 026967

Place: Hyderabad
Date: 30.05.2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORTIN LABORATORIES LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of Ortin Laboratories Limited which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control 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:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) in the case of the cash flow statement, of the Cash Flows, for the year ended on that date.

Emphasis of Matter:

We draw attention to Note No. 42 regarding the Provision of Gratuity for an amount of Rs.2,16,178/-. The Company has not complied the actuarial valuation referred in the Accounting Standard 15 "Accounting for Retirement Benefits in the financial Statement of Employers".

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Mathesh & Ramana
Chartered Accountants
Firm Reg. No. 002020s

Sd/-

B.V. Ramana Reddy
Partner
Membership No. 026967

Place: Hyderabad
Date: 30.05.2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**Re: ORTIN LABORATORIES LIMITED**

Referred to in Paragraph 3 of our Report of even date.

- (I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of its Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account.
- (iii) (a) The company has taken loans from thirteen parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956 during the previous year.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken/granted from the parties listed in the register maintained under section 301 of the Companies Act are not, prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying/recovering the principal amounts as stipulated and has been regular in the payment/receiving of interest.
- (e) There was no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the

transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, excise duty and other material statutory dues applicable to it except in case of Tax Deducted at Source, Provident fund and Service Tax.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax and excise duty were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable except in case of Tax Deducted at Source of ₹ 5,96,213/-, Provident Fund of ₹ 3,00,635/- and Service Tax of ₹ 17,33,342/-.
(c) According to the information and explanation given to us, there are no dues of sales tax, income tax and excise duty which have not been deposited on account of any dispute.
- (x) In our opinion, the company did not have the accumulated loss as on 31st March, 2014. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks.
- (xii) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence no need to maintain the said records.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not raised any fresh share capital by way of public issue or by any other mode during the financial year. Hence, the question of preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures in the history of the company. Hence the creation of securities does not arise.
- (xx) During the year the company has not raised money by way of public issues, hence the verification of end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Mathesh & Ramana
Chartered Accountants
Firm Reg. No. 002020s

Sd/-

B.V. Ramana Reddy
Partner
Membership No. 026967

Place: Hyderabad
Date: 30.05.2014

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow statement of ORTIN LABORATORIES LIMITED, Hyderabad for the period ended 31st March, 2014. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by report of 30th May, 2014 to the members of the Company.

For Mathesh & Ramana
Chartered Accountants
Firm Reg. No. 002020s

Sd/-

B.V. Ramana Reddy
Partner
Membership No. 026967

Place: Hyderabad
Date: 30.05.2014

Balance Sheet as at MARCH 31, 2014

(Amounts in Indian Rupees)

PARTICULARS	Notes	As at 31/03/2014	As at 31/03/2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	169,404,000	169,404,000
Reserves and surplus	3	50,216,282	38,352,060
		219,620,282	207,756,060
Non - current liabilities			
Long-term borrowings	4	27,991,807	10,615,655
Deferred tax liabilities (Net)	5	29,775,242	28,145,144
Other Long term liabilities	6	20,650	121,650
Long-term provisions	7	1,107,363	891,185
		58,895,062	39,773,634
Current liabilities			
Short-term borrowings	8	152,165,860	159,792,236
Trade payable	9	263,868,560	295,322,301
Other current liabilities	10	30,237,804	26,828,680
Short-term provisions	7	884,655	5,444,902
		447,156,879	487,388,119
TOTAL		725,672,223	734,917,813
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	238,982,516	247,690,610
Intangible Assets		-	-
Capital Work in Progress		-	-
		238,982,516	247,690,610
Non-current investments	13	338,761	338,761
Long-term loans and advances	12	21,707,881	22,621,855
Other non-current assets	14	-	309,747
		261,029,158	270,960,973
Current assets			
Inventories	15	217,228,493	152,214,595
Trade receivables	16	214,239,042	274,576,693
Cash and Cash Equivalents	17	11,606,518	19,754,813
Short term loans and advances	12	20,913,089	16,970,445
Other current assets	14	655,923	440,294
		464,643,065	463,956,840
TOTAL		725,672,223	734,917,813
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B. V. Ramana Reddy

M. No. 26967 Partner

F. R. No: 002020S

Place: Hyderabad

Date: 30-05-2014

For and on behalf of the Board

Sd/-

S. MURALI KRISHNA MURTHY

Managing Director

Sd/-

G. VENKATA RAMANA

Joint Managing Director

Statement of profit and loss as on March 31, 2014

(Amounts in Indian Rupees)

PARTICULARS	Notes	For the year ended 31/03/2014	For the year ended 31/03/2013
Income			
Revenue from operations	18	671,364,086	748,277,346
Other income	19	6,049,144	1,906,230
Total revenue (I)		677,413,230	750,183,576
Expenses			
Cost of material consumed	20	492,994,240	539,048,125
(Increase)/decrease in inventory	21	(6,376,654)	1,374,629
Employee benefits expenses	22	25,513,021	26,045,013
Other expenses	23	98,327,513	116,067,867
Finance expenses	24	37,173,046	35,542,034
Depreciation & amortisation	11	15,050,222	14,038,632
Total (ii)		662,681,388	732,116,300
Profit before tax (i-ii)		14,731,842	18,067,276
Prior Period Items		2,096,126	506,449
Total		16,827,968	18,573,725
Tax expenses			
Current tax		3,764,561	3,769,855
Deferred tax		1,630,097	3,350,669
Prior years' tax adjustment		(430,912)	529,881
Total tax expense		4,963,746	7,650,406
Profit for the year		11,864,222	10,923,319
Earnings per equity share			
- Basic		0.70	0.64
- Diluted		0.70	0.64
Nominal value of shares		10.00	10.00
Weighted average number of equity shares in calculating Basic and diluted EPS		-	-

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B. V. Ramana Reddy

M. No. 26967 Partner

F. R. No: 002020S

Place: Hyderabad

Date: 30/05/2014

For and on behalf of the Board

Sd/-

S. MURALI KRISHNA MURTHY

Managing Director

Sd/-

G. VENKATA RAMANA

Joint Managing Director

Cash Flow from Operation Activities

(Amounts in Indian Rupees)

PARTICULARS	As at 31/03/2014	As at 31/03/2013
Net profit before tax	17,258,880	18,043,844
ADD: Depreciation	15,050,222	14,008,243
ADD: Misc. Expenses	206,656	206,656
ADD: Interest	37,173,046	35,542,034
Less: Interest received	1,260,568	1,190,089
Less: Misc. income	4,788,576	1,222,590
Operating Profit	63,639,660	65,388,098
Increase in inventories	(65,013,898)	(41,571,388)
Increase in debtors	60,337,651	164,010,569
Increase in loan & advances	(3,141,207)	(8,141,019)
Increase/Decrease in current liabilities	(32,489,686)	(156,940,123)
Cash generated from operations	23,332,519	22,746,136
Less: Tax expense	3,764,561	3,769,855
Less: Interest paid	37,173,046	35,542,034
Cash from operations	(17,605,088)	(16,565,753)
Increase in Investments	-	-
Add: Misc. Income	4,788,576	1,222,590
Add: Additions to Fixed Assets	(6,342,127)	(23,200,966)
Add: Interest Received	1,260,568	1,190,089
Net Cash Used in Investing	(292,983)	(20,788,287)
Receipts from share capital	-	-
Receipts from new borrowings	9,749,776	47,043,518
Net Cash Used in Financing Activity	9,749,776	47,043,518
Net cash Flow	(8,148,295)	9,689,478
Opening Balance	19,754,813	10,065,335
Add: Opening Balance of Vineet Laboratories on account of Merger	-	-
Net cash Flow	(8,148,295)	9,689,478
Cash and Cash Equivalents	11,606,518	19,754,813

As per our report of even date.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B. V. Ramana Reddy

M. No. 26967 Partner

F. R. No: 002020S

Place: Hyderabad

Date: 30-05-2014

For and on behalf of the Board

Sd/-

S. MURALI KRISHNA MURTHY

Managing Director

Sd/-

G. VENKATA RAMANA

Joint Managing Director

NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting:

The financial statements have been prepared and presented under the historic cost convention on accrual basis to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of Assets or Liabilities in the Future periods.

c) Fixed Assets:

Fixed assets are stated at cost less depreciation. All costs (excluding CENVAT, VAT and Subsidy), including financing costs till commencement of commercial production and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.

d) Depreciation:

The Company has provided depreciation for all the assets using straight line method at the rates specified in the Schedule XIV of the Companies Act, 1956.

e) Inventories:

Inventories have been taken as valued and certified by the Management. The basis of valuation is as under:

Raw materials, Stores & Spares - at cost or net realizable value whichever is lower.

Finished goods – at cost or net realizable value on FIFO basis whichever is lower.

f) Retirement benefits:

(i) Company's contribution to provident fund is charged to Profit & Loss Account.

(ii) Provision has been made in accounts for the future payment of gratuity to the employees of the Company, Pursuant to the payment of Gratuity Act, 1972 however provision has not been made based on the actuarial valuation.

g) Revenue recognition:

Sale is recognized on dispatch of products and is inclusive of Excise Duty.

Interest income is recognized on accrual basis.

Dividend income is recognized as and when the right to receive the amount is established.

h) Investments:

Current Investments are valued at cost or market price whichever is lower and in the absence of market quotation, cost price is adopted. Long Term Investments are valued at cost.

i) R&D Expenditure:

Capital expenditure is included in the fixed assets and depreciation as per Company's policy.

Revenue expenditure is charged to profit & loss account of the year in which they are incurred is included in the respective heads of expenditure.

j) Borrowing Costs:

Borrowings costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Cash Flow Statement:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2014 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by ICAI.

l) Accounting for Taxes on Income:

Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws. Enacted or substantially enacted as of the Balance Sheet date.

m) Employee Stock Option Scheme:

The company has not granted any Employee Stock Option Scheme.

n) Impairment of Assets:

The management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

o) Government Grants & Other Claims:

Revenue grants including subsidy/rebates, refunds, claims etc., are credited to profit & loss account under other income or deducted from the related expenses. Grants related to fixed assets are credited to capital reserves account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants etc., are established/realized.

p) Miscellaneous Expenses:

Miscellaneous expenses and expenditure in connection with Public issue and issue of shares are being written off over a period of five years.

- q) Provisions and Contingent Liabilities and Contingent Assets:**
Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.
- r) Cash and Cash Equivalents:**
Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.
- s) Leases:**
Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss.
- t) Intangible Assets:**
Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a as per rates mentioned in the Act.
- u) Segment reporting:**
The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the company. Further,
- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
 - (ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under “Un-allocated corporate expenses net of un-allocated income”.
- v) Earnings per share:**
Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basis earning per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.
- w) Foreign Currency Transactions:**
Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange translations settled during period is recognized in the profit & loss account except for the net exchange gain or loss on account of imported fixed assets, which is adjusted in the carrying amount of the related fixed assets. Foreign currency denominated current assets and current liabilities at the period end are translated at the period end exchange rates and the resulting net gain or loss is recognized in the profit & loss account, except for exchange difference related to fixed assets purchased from foreign countries is adjusted in the carrying amount of related fixed assets.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2014

(All amounts in Indian Rupees except as otherwise stated)

2. SHARE CAPITAL

	As at 31/03/2014	As at 31/03/2013
Authorised: 2,00,00,000 equity shares of Rs. 10/-each	200,000,000	200,000,000
	200,000,000	200,000,000
Issued, subscribed and fully paid-up: 1,69,40,400 equity shares of Rs. 10/- each fully paid-up	169,404,000	169,404,000
Total issued, subscribed and fully paid up share capital	169,404,000	169,404,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31/03/2014		As at 31/03/2013	
	No's	Amount	No's	Amount
Equity shares of Rs. 10/-each fully paid				
At the beginning of the year	16,940,400	169,404,000	16,940,400	169,404,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	16,940,400	169,404,000	16,940,400	169,404,000

(c) Details of share holders holding more than 5% shares in the Company

Name of the shareholder	As at 31/03/2014		As at 31/03/2013	
	No's	% holding	No's	% holding
Equity shares of Rs. 10/- each fully paid				
Venkata Ramana Gaddam	948,470	5.60%	977,470	5.77%
Venkata Rama Gaddam	964,600	5.69%	964,600	5.69%

3. RESERVES AND SURPLUS

	As at 31/03/2014	As at 31/03/2013
Share Forfeiture Reserve		
Balance, at the beginning of the year	6,452,500	6,452,500
Add: Amount received during the year	-	-
Balance, at the end of the year	6,452,500	6,452,500
Capital Reserve		
Balance, at the beginning of the year	2,122,500	2,122,500
Balance, at the end of the year	2,122,500	2,122,500
Surplus in the statement of profit and loss		
Balance, at the beginning of the year	29,777,060	23,808,596
Add: Excess provision written back	-	-
Add: Profit for the year	11,864,222	10,923,319
Less: Proposed Dividend	-	4,235,100
Less: Dividend Distribution tax on Proposed Dividend	-	719,755
Net surplus in the statement of profit and loss	41,641,282	29,777,060
Total reserves and surplus	50,216,282	38,352,060

4. LONG TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Term loan from Banks (Secured)	5,758,711	9,499,689	6,265,015	8,393,985
Term Loan from Financial Institutions (Unsecured)	-	-	-	-
Vehicle Loan from Banks (Secured)	1,413,608	-	388,671	391,209
Interest Free Sales Tax Loan from Govt. of A.P	1,115,966	1,115,966	-	-
Unsecured				
From Directors & their relatives	10,218,876	-	-	-
Loan from others	9,484,646	-	-	-
	27,991,807	10,615,655	6,653,686	8,785,194

Security Details

Term Loan from Bank is Secured by hypothecation of Fixed Assets and Personal Guarantee of directors of the company excluding Honorary directors. The Company availed Rs.62,08,841/- out total Sanction of Rs.140 lakhs. The Loan is repayable in 80 equated monthly instalments of Rs 1,75,000/- each, due to short availment of term loan the due date may be much earlier. The Loan carried interest @ (BR+ 4.5%)% p.a.

Vehicle Loan from Bank is secured by hypothecation of vehicle financed.

5. DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2014	As at 31/03/2013
Opening Balance	28,145,144	24,794,475
Add: Deferred Tax for the year	1,630,097	3,350,669
Total	29,775,242	28,145,144

6. OTHER LONG-TERM LIABILITIES

	As at 31/03/2014	As at 31/03/2013
Security Deposit	20,650	121,650
	20,650	121,650

7. PROVISIONS

	Long Term		Short Term	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Provision for Taxation				
Provision for Income Tax	-	-	3,764,561	3,769,855
Add: Interest on Income Tax	-	-	86,566	48,762
Less: MAT Credit Utilised	-	-	380,344	-
Less: TDS	-	-	2,600,818	3,328,571
	-	-	869,965	490,046
Provision for employee benefits (Gratuity)	1,107,363	891,185	-	-
Proposed Dividend	-	-	14,690	4,235,100
Dividend Distribution tax on Proposed Dividend	-	-	-	719,755
	1,107,363	891,185	884,655	5,444,901

8. SHORT-TERM BORROWINGS

	As at 31/03/2014	As at 31/03/2013
Secured		
Cash Credit from Banks (Secured)	152,165,860	142,269,344
Unsecured		
From Directors & their relatives	-	8,188,146
Loan from others	-	9,334,746
	152,165,860	159,792,236

- b) Cash Credit form Karnataka Bank Limited is secured by present and future raw materials, semi finished goods, finished goods, stores and secured second charge on Fixed Assets of the Company and further secured by personal guarantee of promoter Directors.

9. TRADE PAYABLES

	As at 31/03/2014	As at 31/03/2013
Trade payables	263,868,560	295,322,301
	263,868,560	295,322,301

10. OTHER CURRENT LIABILITIES

	As at 31/03/2014	As at 31/03/2013
Current maturities of secured long term borrowings (refer note 5)	6,653,686	8,785,194
Customers credit balance	12,178,108	10,238,436
Staff Creditors	1,672,913	566,491
Outstanding Liability for Expenses	9,733,097	7,238,559
	30,237,804	26,828,680

**11. SCHEDULE FORMING PART OF ACCOUNTS
SCHEDULE - E: FIXED ASSETS**

Sl No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2013 Rupees	Additions Rupees	Deletions Rupees	Cost as on 31-03-2014 Rupees	Upto 01-04-2013 Rupees	For the year Rupees	Deletions Rupees	Upto 31-03-2014 Rupees	As on 31-03-2014 Rupees	As on 31-03-2013 Rupees
1	Land.	5,356,926	-	-	5,356,926	-	-	-	-	5,356,926	5,356,926
2	Factory building.	61,958,494	591,757	0	62,550,251	10,385,997	2,082,746	-	12,468,743	50,081,508	51,572,497
3	Administrative building.	1,072,658	-	0	1,072,658	234,865	17,484	-	252,349	820,309	837,793
4	Plant & machinery	204,127,213	4,284,822	0	208,412,035	38,024,038	9,834,546	-	47,858,583	160,563,451	166,103,175
5	Testing equipment.	7,739,205	-	0	7,739,205	1,909,558	367,612	-	2,277,170	5,462,035	5,829,647
6	Furniture & fixtures.	2,781,411	-	0	2,781,411	1,781,537	176,063	-	1,957,601	823,810	999,874
7	Electrical fittings	9,146,756	-	0	9,146,756	2,541,106	434,471	-	2,975,577	6,171,179	6,605,650
8	Vehicles.	11,328,083	2,656,331	1713518	12,270,896	5,174,559	1,259,260	406,737	6,027,083	6,243,813	6,153,524
9	Other assets.	2,803,487	4,950	3798	2,804,639	998,431	133,393	246	1,131,578	1,673,061	1,805,056
10	Computer.	3,986,453	-	0	3,986,453	2,775,182	646,204	-	3,421,386	565,067	1,211,271
11	Modixerox.	205,400	-	0	205,400	34,375	9,757	-	44,131	161,269	171,026
12	Generator Set	311,801	-	0	311,801	264,728	14,811	-	279,538	32,263	47,073
13	Air conditioner	1,458,709	114,601	0	1,573,310	461,611	73,875	-	535,486	1,037,824	997,098
14	Capital Work in Progress	-	-	0	-	-	-	-	-	-	-
TOTAL		312,276,596	7,652,460	1717316	318,211,740	64,585,986	15,050,222	406,983	79,229,224	238,982,516	247,690,610
PREVIOUS YEAR		289,075,630	23,273,270	72304	312,276,596	50,577,743	14,038,632	30,389	64,585,986	247,690,610	238,497,887

12 LOANS AND ADVANCES

	Non-current (Long term)		Current (Short term)	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Unsecured, considered good				
Trade and other deposit	3,201,381	5,234,680	2,131,776	-
Loan and advances to related parties	1,253,000	1,253,000	-	-
Prepaid Expenses	-	-	715,483	300,116
Other loans & Advances	17,253,500	16,134,175	18,065,830	16,670,329
	21,707,881	22,621,855	20,913,089	16,970,445

13 INVESTMENTS

	Non-current (Long term)		Current (Short term)	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Investment in Equity Instruments (At cost)	38,761	38,761		
Investment in Mutual Funds (At Cost)	300,000	300,000	-	
	338,761	338,761	-	-

14 OTHER CURRENT ASSETS

	Non current		Current	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Unsecured, considered good				
Interest Receivable	-	-	280,141	230,825
Excise Duty Claim Receivable on Export	-	-	2,794	2,794
Commercial Tax 2000-01	-	27,549	-	-
Commercial Tax 2001-02	-	75,561	-	-
MAT Credit	-	-	166,332	-
Preliminary Expenses to the extent not written off	-	206,637	206,656	206,675
	-	309,747	655,923	440,294

15 INVENTORIES

	As at 31/03/2014	As at 31/03/2013
Finished goods & WIP	19,567,500	13,190,846
Raw material	194,524,041	135,658,254
Stores & Spares	3,136,952	3,365,495
	217,228,493	152,214,595

16 TRADE RECEIVABLES

	As at 31/03/2014	As at 31/03/2013
Unsecured, considered good Outstanding for a period not exceeding six months from the date they are due for payments	146,781,164	164,921,543
Others	67,457,878	109,655,150
	214,239,042	274,576,693

17 CASH AND BANK BALANCES

	Non current		Current	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Cash and cash equivalents				
Balances with banks on current account	-	-	1,180,584	7,185,016
Balance with banks in Fixed Deposits/Term Deposit			791,905	1,360,000
Cash on hand	-	-	613,601	1,868,797
	-	-	2,586,090	10,413,813
Other bank balances				
Margin money deposits against Letter of Credit	-	-	9,020,428	9,341,000
	-	-	11,606,518	19,754,813
Less: Amount disclosed under non current assets	-	-	-	-
	-	-	11,606,518	19,754,813

18 REVENUE FROM OPERATIONS

	As at 31/03/2014	As at 31/03/2013
A) Sales(Net)		
Domestic sales	615,729,394	643,587,367
Export sales	-	-
	615,729,394	643,587,367
Less : Excise Duty	49,117,292	53,351,267
	566,612,102	590,236,100
B) Other operating revenues		
Job work Receipts	104,751,984	158,041,246
	104,751,984	158,041,246
	671,364,086	748,277,346

19 OTHER INCOME

	As at 31/03/2014	As at 31/03/2013
Interest Received	1,260,568	1,190,089
Profit on Foreign Exchange Fluctuation	-	127,146
Discount on Purchase	588,421	274,402
Sale of Scrap	30,000	-
Dividend	3,016	2,639
Service Charges Income	64,281	41,722
Subsidy on Electrical Charges	303,950	-
Commission on Sales	966,240	-
Miscellaneous Income	609,047	270,232
Insurance Claim Received	77,530	-
Waiver on Electricity Supplementary Charges	2,146,091	-
	6,049,144	1,906,230

20 COST OF MATERIALS CONSUMED

	As at 31/03/2014		As at 31/03/2013	
Inventory at the beginning of the year		135,658,254		92,665,149
Add: Purchases	552,155,503		582,617,276	
Less: Returns	295,476	551,860,027	576,046	582,041,230
		687,518,281		674,706,379
Less: inventory at the end of the year		194,524,041		135,658,254
		492,994,240		539,048,125

21 (INCREASE)/DECREASE IN INVENTORY

	As at 31/03/2014	As at 31/03/2013
Opening stock of inventories		
Work-in-Progress/Finished goods	13,190,846	14,565,475
	13,190,846	14,565,475
Closing stock of inventories		
Work-in-Progress/Finished goods	19,567,500	13,190,846
	19,567,500	13,190,846
	(6,376,654)	1,374,629

22 EMPLOYEE BENEFIT EXPENSES

	As at 31/03/2014	As at 31/03/2013
Salaries, wages and allowances	13,716,386	13,910,028
Directors Remuneration	7,605,834	7,585,436
Contribution to provident and other funds	1,639,803	1,814,941
Gratuity expense	216,178	255,017
Staff welfare expenses	2,334,820	2,479,591
	25,513,021	26,045,013

23 OTHER EXPENSES

	As at 31/03/2014		As at 31/03/2013	
Rates and taxes		389,192		1,233,075
Insurance		373,394		414,290
Legal and Professional charges		1,795,736		1,632,302
ROC Expenses		40,000		20,000
Stamp Duty		2,600		253,400
Communication expenses		909,535		880,994
Travel & conveyance expenses		2,141,435		3,002,561
Rent Office & Godown		304,504		300,465
Power & Fuel		38,489,198		41,150,078
Sales & Business Promotion		1,338,233		1,073,196
Statutory audit		250,000		220,600
Tax audit		30,000		33,090
Taxation and Other Matters		20,000		22,060
Cost Audit Fees		60,000		-
Repairs & Maintenance Expenses		8,878,835		8,557,461
Consumption of Stores				
Inventory at the beginning of the year	3,365,495		3,412,583	
Add: Purchases	5,693,469		7,992,083	
	9,058,964		11,404,666	
Less: inventory at the end of the year	3,136,952	5,922,012	3,365,495	8,039,171
Discount & Rebate		1,389,970		806,593
Freight & Transportation		4,416,145		4,269,036
Labour Wages		23,353,578		28,946,635
Security Charges		1,894,247		1,510,784
Printing & Stationery		817,438		958,210
Miscellaneous expenses		3,664,400		5,179,001
Job Work Charges		1,640,405		7,237,085
Customs Duty		-		51,124
Forfeited Land Advance		-		70,000
Miscellaneous expenses written off		206,656		206,656
		98,327,513		116,067,867

24 FINANCE COSTS

	As at 31/03/2014	As at 31/03/2013
Interest on fixed period loans	2,431,074	6,289,345
Interest on working capital loans	22,693,543	14,765,373
Interest on Late payment of Taxes	193,938	-
Interest - Others	20,935	269,458
Bank charges (including loan processing charges)	1,356,616	1,605,161
Interest on Income Tax	86,566	48,762
LC & Bill discounting Charges	10,390,374	12,563,935
	37,173,046	35,542,034

25. SALES TAX DEFERMENT:

The sales tax deferment liability amounting to Rs. 11,15,966/- shown under Unsecured Loans are due for repayment from the financial year 2019 onwards. The Government of Andhra Pradesh has granted Sales Tax Deferment for a period of 14 years.

26. FOREIGN EXCHANGE TRANSACTIONS:

Particulars	31 March 2014 Rupees
a. Value of imports	74,740
b. Travelling expenses	82,000

During the year, there was no foreign exchange gain or loss to the company.

27. MANAGERIAL REMUNERATION:

	31 March 2014 Rupees
1. Sri. S. MURALI KRISHNAMURTHY	15,00,000
2. Sri. S. MOHAN KRISHNAMURTHY	9,60,000
3. Sri. S. BALAJI VENKATESWARLU	9,60,000
4. Sri. S. SRINIVAS KUMAR	9,60,000
5. Sri. G. VENKATARAMANA	15,00,000
6. Sri. B. H. SATYANARAYANARAJU	9,60,000
7. Sri. D. JAGANNADHARAJU	10,80,000

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

28. REMUNERATION TO AUDITORS:

	31 March 2014 Rupees
Audit Fee	2,50,000
Tax Audit Fee	30,000
For taxation and other matters	20,000
TOTAL	3,00,000

29. CONTINGENT LIABILITIES:

a) The contingent liabilities as on 31st March, 2014 are as follows:

Particulars	(Rs. In lacs)
In respect of Letters of Credit	600.00

b) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for – NIL.

30. DEFERRED TAX :

	31 March 2014 Rupees
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	23,89,82,516
Net Block as per Income Tax Act	14,72,11,083
Timing Difference	9,17,71,433
Net Tax Liability as on 31-03-2014	2,97,75,241
Less: Deferred Tax Liability as on 31-03-2013	2,81,45,144
Effect on Profit and Loss Account (Deferred Tax for the year)	16,30,097

Deferred tax liability represents timing differences in depreciation on fixed assets.

31. EARNINGS PER SHARE:
(A) BASIC EARNING PER SHARE

i. Number of equity shares outstanding at the beginning of the year.	1,69,40,400
ii. Number of equity shares issued during the year.	NIL
iii. Total number of equity shares outstanding at the end of the year.	1,69,40,400
iv. Profit available to share holders.	1,18,64,222
v. Basic Earning per Share. (face value Rs. 10/-)	0.70

(B) DILUTED EARNING PER SHARE

i. Number of equity shares outstanding as per Point No. iii above.	1,69,40,400
ii. Weighted average number of potential equity shares outstanding	NIL
iii. Weighted average number of shares outstanding	1,69,40,400
iv. Profit available to share holders	1,18,64,222
v. Basic Earning per Share (face value Rs. 10/-)	0.70

32. RELATED PARTY TRANSACTIONS:

Disclosure as required by Accounting Standard AS 18: Related party disclosures issued by the Institute of Chartered Accountant of India (ICAI) are as follows:

- (A) (i) Names of the transacting related parties:
SRI SAI KRISHNA MARKETING ASSOCIATES
- (ii) Description of the relationship between the parties:
Associate Firm.

- (iii) Description of the nature of transaction:
Sales and purchases to/from associates firm in which directors are interested.
 - (iv) Volume of transaction:

Sales:	Rs. 77,87,595/-
Purchases:	Rs. 61,30,388/-
Unsecured Loans	Rs. 12,00,000/-
 - (v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.
 - (vi) The amounts or appropriate proportions of outstanding items are pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date.
 - (vii) Outstanding items pertaining to the related party as on the date of Balance sheet:
Dr. 2,57,508/-
 - (viii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL
- (B) (i) Names of the transacting related parties:
ORTIN BIOTECH PRIVATE LIMITED
- (ii) Description of the relationship between the parties:
Associate Company.
 - (iii) Description of the nature of transaction:
Inter corporate Deposits to associate Company in which directors are interested.
 - (iv) Volume of transaction: Rs. NIL.
 - (v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.
 - (vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date.
 - (vii) Outstanding items pertaining to the related party as on the date of Balance sheet:
Dr. 12,53,000/-.
 - (viii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL
- (C) (i) Names of the transacting related parties:
WOHLER LABORATORIES PRIVATE LIMITED
- (ii) Description of the relationship between the parties:
Enterprise over which key managerial personnel/ their relatives are able to exercise significant influence

- (iii) Description of the nature of transaction:
Sales and purchases to/from a company in which directors are interested.
- (iv) Volume of transaction:
Sales: Rs. 96,13,355/-
Purchases: Rs. 40,36,681/-
- (v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.
- (vi) The amounts or appropriate proportions of outstanding items are pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date.
- (vii) Outstanding items pertaining to the related party as on the date of Balance sheet:
Dr. 3,83,13,687/-
- (viii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL.

33. SEGMENT REPORTING:

The Company is engaged in the manufacture of Drug Intermediates and Pharmaceuticals. Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

34. SHARE CAPITAL:

The authorized capital of the company is Rs. 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each.

Shareholders' funds of Rs. 16,94,04,000/- are divided into 1,69,40,400 equity shares of Rs. 10/- each.

- 35. In the opinion of the Board the Current assets, Loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
- 36. The balances shown against Sundry Debtors, Sundry Creditors and Advances are subject to confirmation from the respective parties.
- 37. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

As regards to the compliance of provisions relating to the dues to Micro, Small and Medium Enterprises in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has sent letters to the Creditors to confirm whether they are Micro, Small and Medium Enterprises. The Company is yet to receive the confirmations from them. Hence, the Company could not quantify the dues, if any to the Micro, Small and Medium Enterprises.

ORTIN LABORATORIES LIMITED

38. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT 1956, (AS CERTIFIED BY A DIRECTOR:

A. PARTICULARS IN RESPECT OF GOODS MANUFACTURED:

Since the products involved are voluminous, according to the management it is not possible to give product wise details.

B. STOCKS, PURCHASES & SALES OF FINISHED GOODS:

Since the products involved are voluminous, according to the management it is not possible to give product wise details.

39. During the year the company has not proposed any dividend.

40. During the year the company has amortized 20% of preliminary expenses i.e. Rs. 2,06,656/-.

41. The undisputed statutory dues payable pending for more than six months are Tax Deducted at Source of ₹ 5,96,213/-, Provident Fund of ₹ 3,00,635/- and Service Tax of ₹ 17,33,342/-.

42. During the year the following provisions were made:

Particulars	Rupees
Current Tax	37,64,561
Previous Year's Tax adjustment	(4,30,912)

43. During the year the Company has made Rs.2,16,178/- towards Provision for Gratuity. The Company has not complied actuarial valuation referred in the Accounting Standard 15 "Accounting for Retirement Benefits in the financial Statement of Employers".

Particulars	Rupees
Opening Balance as on 01/04/2013	8,91,185
Add: Provision made during the year	2,16,178
Closing Balance as on 31/03/2014	11,07,363

44. The company's investments are stated at cost price in financial statements.

S. No	Name of the fund	No. of Shares	Cost In Rupees	Market price In Rupees
1.	Welcure Drugs	300	3,000	372
2.	Karnataka Bank Ltd	754	30,761	88,407
3.	Manikanta Bank	100	5,000	(unquoted)
4.	DSP Block Rock		3,00,000	4,02,262

Investments were stated at cost price in the financial statements.

45. Disclosure under clause 32 of the Listing Agreement:

(a) Loans and Advances in the nature of Loans to Subsidiary Company	NIL
(b) Loans and Advances in the nature of Loans to Associate Company	NIL
(c) Loans and Advances in the nature of Loans where there is:	
(i) No repayment schedule or repayment beyond 7 years	NIL
(ii) No interest or interest below section 372 A of Companies Act	NIL
(d) Loans and Advances in the nature of Loans to firms/companies In which directors are interested	Rs. 12,53,000
(e) Investment by the Loanee in the shares of the parent company And subsidiary company, when the company has made a loan Or advance in the nature of loan	NIL

46. Previous year figures have been regrouped and rearranged wherever necessary.

47. All the amounts are rounded off to the nearest rupee.

As per our attached report of even date

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY
M. No. 26967
Partner

PLACE: HYDERABAD
DATED: 30-05-2014

On behalf of the Board
For ORTIN LABORATORIES LIMITED

S. MURALI KRISHNA MURTHY
Managing Director

G. VENKATA RAMANA
Joint Managing Director

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: L24110AP1986PLC006885
Name of the company: Ortin Laboratories Limited
Registered office: Flat No.502, Palem towers, Barkatpura, Hyderabad-500 027. 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 27th Annual General Meeting of the company, to be held on Tuesday, 30.09.2014 at 11.00 at Flat No. 502, Palem Towers, Barkatpura, Hyderabad - 500027, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

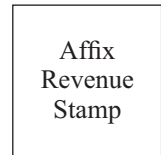
Resolution No.

1. Approval of financial statements for the year ended 31.03.2014
2. Retirement of Mr. D. Jagannadha Raju as Director.
3. Appointment of Mr. S. Balaji Venkateswarlu as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Appointment of Mr. K. Pradyumna Teja as Independent director.
6. Appointment of Mr. J. R. K. Panduranga Rao as Independent director.
7. Appointment of Mr. M. Tippayya as Independent director.
8. Appointment of Dr. B. Gopal Reddy as Independent Director.
9. Appointment of Mr. T. Seshagiri as Independent Director.
10. Amendment in the Article of Association of the Company.

Signed this day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)



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.



ORTIN LABORATORIES LIMITED

Flat No. 502, Palem towers, Barkatpura, Hyderabad - 500 027, Telangana

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 27th Annual General Meeting of the members of the company to be held on Tuesday, 30.09.2014 at 11.00 at Flat No. 502, Palem Towers, Barkatpura, Hyderabad - 500027, Telangana

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.

Book Post

If undelivered, please return to :



ORTIN LABORATORIES LIMITED

Flat No.502, Palem Towers, Barkatpura, Hyderabad-500 027,
Telangana, India

Ph : +91 40 27562055, Fax : +91 40 66103055

E-mail : info@ortinlabsindia.com

Website : www.ortinlabsindia.com