



**ORTIN LABORATORIES LIMITED**

**29<sup>th</sup>**

**ANNUAL REPORT**

**2015-2016**



**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. Bh. Satyanarayana Raju	-	Whole Time Director	(DIN: 02697880)
7.	Mr. J. R. K. Panduranga Rao	-	Independent Director	(DIN: 00294746)
8.	Mr. M. Tippayya	-	Independent Director	(DIN: 00306985)
9.	Mr. K. Pradyumna Teja	-	Independent Director	(DIN: 03074013)
10.	Mr. T Seshagiri	-	Independent Director	(DIN: 06715818)
11.	Mr. B. Gopal Reddy	-	Independent Director	(DIN: 06716560)
12.	Ms. Laxmi Sravani Dasari	-	Non Executive Director	(DIN: 03118833)

**CFO**

Mr. Bh. Satyanarayana Raju

**REGISTERED OFFICE**

D. No: 1-2-593/29, Ground Floor, Street No.4,  
Gagan Mahal Colony, Domalguda,  
Hyderabad, 500029, Telangana  
Ph: 040-27567266, Fax: 040-66103055  
Email: info@ortinlabsindia.com

**WORKS:****Unit 1**

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

**Unit 2**

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

**CORPORATE IDENTITY NUMBER**

L24110TG1986PLC006885

**AUDITORS**

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

**BANKERS**

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

**AUDIT COMMITTEE:**

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

**NOMINATION & REMUNERATION COMMITTEE:**

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

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

1. Mr. J.R.K. Pandu Ranga Rao - Chairman
2. Mr. K. Pradyumna Teja - Member
3. Mr. Tipayya - Member

**INDEPENDENT DIRECTORS COMMITTEE:**

1. Mr. T Seshagiri - Chairman
2. Mr. M. Tippayya - Member
3. Mr. K. Pradyumna Teja - Member
4. Mr. J. R. K. Panduranga Rao - Member
5. Dr. B. Gopal Reddy - Member

**RISK MANAGEMENT COMMITTEE:**

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

**REGISTRAR & SHARE TRANSFER AGENTS**

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

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

**ISIN** : INE749B01012

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

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

## **NOTICE**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of M/s. Ortin Laboratories Limited will be held on Friday, 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at the Registered Office of the Company at D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad, 500029, Telangana to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, 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. G. Venkata Ramana(DIN: 00031873) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. S. Mohan Krishna Murthy (DIN: 00540705) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Mathesh & Ramana, Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors of the Company.

“RESOLVED THAT pursuant to the provisions of Section 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on 30th September, 2014 for the appointment of M/s. Mathesh & Ramana (Firm Registration No. 002020S) as Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017 as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

### **SPECIAL BUSINESS:**

5. **RE-APPOINTMENT OF MR. G. VENKATA RAMANA (DIN 00031873) AS JOINT MANAGING DIRECTOR OF THE COMPANY:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/ agency/board, if any and subject to the approval of the members of the Company, Mr. G. Venkata Ramana be and is hereby re-appointed as Joint Managing Director of the Company for a period of three years with effect from 01.11.2015 at such remuneration and terms & conditions as mentioned in the explanatory statement:

**Inadequate Profits:**

Where in any Financial Year, during the tenure of Mr. G. Venkata Ramana, the Company has inadequate profits, the Company shall pay to Mr. G. Venkata Ramana, remuneration by way of Basic Salary, Commission, Perquisites and Allowance which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

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

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Place: Hyderabad

Date: 12.08.2016

**NOTES:**

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

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

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 30.09.2016 (Both days Inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Ltd)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Private Ltd., Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission / transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2015-2016 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 2015-2016 is being sent in the permitted mode.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)
16. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unpaid and unclaimed amount pertaining to dividends declared up to the financial year 2007-08. Members who have not yet encashed their dividend warrants for the financial year 2008-09 onwards are requested to make their claims to the Company immediately. The last date for transfer the unclaimed dividend for the year 2008-09 is 06.11.2016. Members may please note that no claim shall lie against the Company in respect of dividend which remains unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.



17. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on 23.09.2016, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 27.09.2016 and will end at 5.00 p.m. on 29.09.2016. The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

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 29th 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 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: 27.09.2016 09:00 A.M to 29.09.2016, 5:00 P.M (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. (xii) 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., 23.09.2016.

**(D)** Mr. S. Sarveswar Reddy, Practising Company Secretary, C.P. No. 7478 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](http://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 and NSE 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 23.09.2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

- 18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2016.

19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
20. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
21. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-

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

Place: Hyderabad  
Date: 12.08.2016

## EXPLANATORY STATEMENT

(Pursuant to Section 102(2) of the Companies Act, 2013)

### ITEM NO. 5

The Board of Directors at their meeting held on 14.11.2015 have, subject to the approval of the Shareholders, re-appointed Mr. G. Venkata Ramana (DIN 00031873) as Joint Managing Director of the Company with effect from 01.11.2015 for a period of 3 years on the remuneration of Rs.1,50,000 p.m. Taking into consideration the duties and responsibilities shouldered on the Joint Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 14.11.2015 approved the remuneration, terms and conditions of the re-appointment of Mr. G. Venkata Ramana (DIN 00031873), subject to approval of the shareholders on remuneration including minimum remuneration.

The Board recommends the resolution for your approval.

Except Mr. G. Venkata Ramana, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN:00540632

Place: Hyderabad

Date: 12.08.2016

**DETAILS OF THE DIRECTORS APPOINTED/RE-APPOINTED DURING THE YEAR:**

<b>Particulars</b>	<b>Name of the director</b>	<b>Name of the director</b>
Name	Mr. G. Venkata Ramana	Mr. S. Mohan Krishna Murthy
DIN	<b>00031873</b>	<b>00540705</b>
Date of Birth	18/08/1968	18/09/1952
Date of Appointment	30/09/2010	28/01/2011
Qualifications	M.S.C	S.S.C
No. of Shares held in the Company	898470	60816
Directorships held in other companies (excluding private limited and foreign companies)	5	1
Positions held in mandatory committees of other companies	–	–
Relationship with other directors of the Company	–	Brother of Mr. S. Murali Krishna Murthy, Managing Director of the Company

**DIRECTORS' REPORT**

To  
The Members of Ortin Laboratories Limited,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2016.

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

The performance during the period ended 31st March, 2016 has been as under:

(Rupees in Lakhs)

Particular	2015-2016	2014-2015
Total Income	6351.94	6063.27
Total Expenditure	6212.35	5929.94
Profit Before Tax	139.59	133.33
Provision for Tax	56.20	43.54
Profit after Tax	83.39	89.79
Transfer to General Reserves	-	-
Profit available for appropriation	83.39	89.79
Provision for Proposed Dividend	-	-
Provision for Corporate Tax	49.81	48.72
Balance Carried to Balance Sheet	83.39	89.79

**2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March and the date of Board's Report. (i.e. 12/08/2016).

The registered office of the Company was changed to D. No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad, 500029, Telangana w.e.f. 14.11.2015.

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

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

**4. PUBLIC DEPOSITS:**

The Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

**5. TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

**6. DIVIDEND:**

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

**7. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review

**8. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect the Company's financial position have occurred between the ends of the financial year of the Company.

**9. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

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

**10. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail somewhere else in the report (if applicable) and forms part of this Report.

**12. BOARD MEETINGS DURING THE YEAR:**

The Board of Directors duly met 5 (five) times on 30.05.2015, 14.08.2015, 10.09.2015, 14.11.2015 and 11.02.2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**13. CORPORATE GOVERNANCE:**

A Separate section titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the annual report.

**14. EXTRACT OF ANNUAL RETURN:**

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

**15. RETIREMENTS AND RESIGNATIONS:**

During the year no director has resigned from the Company. Mr. G. Venkata Ramana, Joint Managing Director and Mr. S. Mohan Krishna Murthy, wholetime Director of the Company retires by rotation and being eligible offers themselves for re-appointment.

**16. DIRECTORS/CEO/CFO AND KEY MANAGERIAL PERSONNEL:**

During the year there was no change in the board.

**17. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

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

**18. DIRECTOR'S RESPONSIBILITY STATEMENT:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:**

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

**19. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

The Company does not have any subsidiaries/associates. During the year neither any company became its subsidiary nor ceased to be its subsidiary.

**20. STATUTORY AUDITORS:**

M/s. Mathesh & Ramana, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for reappointment. Your directors propose the appointment of M/s. Mathesh & Ramana, Chartered



Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

The Board recommends the re-appointment of M/s. Mathesh & Ramana, Chartered Accountants as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

**21. INTERNAL AUDITORS:**

There is no Internal Auditor appointed in the Company.

**22. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. S. S. Reddy & Associates, Practicing Company Secretaries is annexed to this Report as annexure.

**23. AUDIT REPORTS:**

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and does not have any qualifications, reservations or adverse remarks except that the Company does not have a full time Company Secretary and Internal Auditor.

The Board has noted the same and is making efforts to appoint a suitable candidate for the post of Company Secretary and Internal Auditor.

**24. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

**25. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and NSE Limited and framed the following policies which are available on Company's website i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti Sexual Harassment Policy
- Related Party Policy
- Code of Conduct

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

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

**A. Conservation of Energy:**

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

**B. Technology Absorption:**

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

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

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: Rs.8,15,679

**27. INSURANCE:**

The assets of your Company are adequately insured.

**28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans or Guarantees during the year under review.

**29. CREDIT & GUARANTEE FACILITIES:**

The Company has been availing facilities of Credit and Guarantee from Karnataka Bank, Nampally Branch.

**30. DISCLOSURE ABOUT COST AUDIT:**

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

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

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, the ratio of remuneration of managing director (S. Murali Krishna Murthy), joint managing director (G. Venkata Ramana), whole time

directors (S. Mohan Krishna Murthy, S. Balaji Venkateswarulu, S. Srinivas Kumar) and whole time director cum CFO (Bh. Satyanarayana Raju) is 0.39:1, 0.43:1, 0.25:1, 0.28:1 respectively.

**32. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

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

**33. CEO/ CFO CERTIFICATION:**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2015-16 is provided elsewhere in this Annual Report.

**34. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**35. SECRETARIAL STANDARDS:**

The company is in compliance with SS 1 & SS 2.

**36. EVENT BASED DISCLOSURES:**

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

- 1. Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
- 2. Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
- 3. Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
- 4. Non- Exercising of voting rights :** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- 5. Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
- 6. Buy back shares:** The Company did not buy-back any shares during the period under review.

- 7. Disclosure about revision:** Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.
- 8. Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

**37. EMPLOYEE RELATIONS AND REMUNERATION:**

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

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

No. of complaints received:	Nil
No. of complaints disposed off:	Nil

**39. ACKNOWLEDGEMENTS:**

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

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

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

Place: Hyderabad  
Date: 12.08.2016

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

Sd/-  
**G. Venkata Ramana**  
Joint Managing Director  
DIN: 00031873

**CODE OF CONDUCT**

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

**Certificate of Code of Conduct for the year 2015-16 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Ortin Laboratories Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

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

Place: Hyderabad  
Date: 12.08.2016

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

Sd/-  
**G. Venkata Ramana**  
Joint Managing Director  
DIN: 00031873

## CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Ortin Laboratories Limited as follows:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### 2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.ortinlabsindia.com](http://www.ortinlabsindia.com).

### 3. BOARD EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

**4. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

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

**5. LISTING AGREEMENT:**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into fresh Listing Agreement with BSE Limited and NSE Limited.

**6. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

**7. BOARD OF DIRECTORS****A. COMPOSITION OF THE BOARD:**

The Company is managed and controlled through a professional body of Board of Directors which is headed by Mr. S. Murali Krishna Murthy, Managing Director and Mr.G. Venkata Ramana, Joint Managing Director. As on 31st March 2016, the Board of the Company has 12 members (including 1 Managing Director, 1 Joint Managing Director, 4 Whole-Time Directors and 6 Independent Non-Executive Directors). 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 Board has been enriched with the advices and knowledge of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2016 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

**B. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING HELD DURING THE YEAR AND LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER BOARD OF DIRECTORS IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON.**

Name of Director	Category of Directorship	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Member	Chairman	Last AGM 30.09.2015	Board meetings '15-16'	
						held	Attended
Mr. S. Murali Krishna Murthy	Managing Director	1	--	--	Yes	5	5
Mr. G. Venkata Ramana	Joint Managing Director	5	--	--	Yes	5	5
Mr. S. Mohan Krishna Murthy	Whole-Time Director	1	--	--	Yes	5	5
Mr. S. Balaji Venkateswarlu	Whole-Time Director	1	--	--	Yes	5	5
Mr. S. Srinivas kumar	Whole-Time Director	1	--	--	Yes	5	5
Mr. Bh. Satyanarayana Raju	Whole-Time Director Cum CFO	--	-	-	Yes	5	5
Mr. J. R. K. Panduranga Rao	Non Executive & independent Director	-	-	-	Yes	5	5
Mr. M. Tippayya	Non Executive & independent Director	-	-	-	Yes	5	5
Mr. K. Pradyumna Teja	Non Executive & independent Director	-	-	-	Yes	5	5
Mr. T Seshagiri	Non Executive & independent Director	-	-	-	Yes	5	5
Mr. B. Gopal Reddy	Non Executive & independent Director	-	-	-	Yes	5	5
Ms. Laxmi Sravani Dasari	Non Executive Director	1	-	-	Yes	5	5



**C. MEETINGS DURING THE YEAR:**

The Board of Directors duly met 5 (Five) times on 30.05.2015, 14.08.2015, 10.09.2015 14.11.2015 and 11.02.2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**D. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:**

Mr. Murali Krishna Murthy, Managing Director and Mr. S. Mohan Krishna Murthy, Whole-Time Director of the Company are inter-se related to each other as brothers.

**E. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:**

None of the Non-Executive Directors of the company holds any shares and Convertible Instruments in their name except Ms. Laxmi Sravani Dasari who is holding 87,500 equity shares.

**8. AUDIT COMMITTEE:**

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

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, about 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:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.

- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

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

There were four (4) Audit Committee Meetings held during the year on 30.05.2015, 14.08.2015, 14.11.2015 and 11.02.2016.

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

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

**9. NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of three non-executive independent Directors

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

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

of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

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

**B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:**

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

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

**C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

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

**POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:**
**1. Scope:**

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

**2. Terms and References:**

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

2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013, Clause 49(II)(B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**

Qualifications and criteria

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

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

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

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavor to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. and other relevant laws.

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

### 3.2 Criteria of independence

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

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

- b. (i) who is or was not a promoters of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors of the company its holding, subsidiary or associate company
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding subsidiary or associate company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
  - (i) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (ii) is a chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the company any of its promoters, directors or its holding subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (iii) is a material supplier, service provider or customer or a lesser or lessee of the company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age

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

3.3 other directorships/ committee memberships

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

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

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

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

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

## 10. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

### A) COMPOSITION:

The Details of composition of the Committee are given below:

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

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

### B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. S. Murali Krishna Murthy, Managing Director of the Company is the compliance officer of the Company.

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16**

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2016
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

**11. REMUNERATION OF DIRECTORS:**

**A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** The Non-Executive Directors have no pecuniary relationship or transactions.

**B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:** As per the remuneration policy of the company.

**C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES:**

Name of the Director	Salary (Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. S. Murali Krishna Murthy	15,00,000	--	1,68,375	-	-	-	-
Mr. G. Venkata Ramana	16,50,000	--	8,98,470	-	-	-	-
Mr. S. Mohan Krishna Murthy	9,60,000	--	60,816	-	-	-	-
Mr. S. Balaji Venkateswarlu	9,60,000	--	1,57,827	-	-	-	-
Mr. S. Srinivasa Kumar	9,60,000	--	2,71,723	-	-	-	-
Mr. Bh. Satyanarayana Raju	10,80,000	--	4,96,130	-	-	-	-
Mr. J. R. K. Panduranga Rao	--	2,000	-	-	-	-	-
Mr. M. Tippayya	--	4,000	-	-	-	-	-
Mr. K. Pradyumna Teja	--	1,000	-	-	-	-	-
Mr. T Seshagiri	--	1,000	-	-	-	-	-
Mr. B. Gopal Reddy	--	4,000	-	-	-	-	-
Ms. Laxmi Sravani Dasari	--	--	87,500	-	-	-	-

**D. INDEPENDENT DIRECTORS' MEETING:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.03.2016, and discussed the following:

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

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

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

## 12. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 14/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 7 non-independent directors namely:

1. Mr. S. Murali Krishna Murthy
2. Mr. G. Venkata Ramana
3. Mr. S. Mohan Krishna Murthy
4. Mr. S. Balaji Venkateswarlu
5. Mr. S. Srinivas Kumar
6. Mr. Bh. Satya Narayana Raju
7. Ms. Laxmi Sravani Dasari

The meeting recognized the significant contribution made by all the said directors in directing the Company towards the success path.

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.



### 13. 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 should and individual performance.

#### **Remuneration policy for Directors, key managerial personnel and other employees**

##### 1. **Scope:**

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

##### 2. **Terms and Reference:**

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

2.1 **“Director”** means a director appointed to the Board of the company.

2.2 **“key managerial personnel”** means

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 **“Nomination and Remuneration committee”** means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### 3. **Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

**3.2 Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

**3.3. Remuneration to other employees**

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**14. RISK MANAGEMENT COMMITTEE:**

**A) COMPOSITION:**

The Details of composition of the Committee are given below:

Name	Designation	Category
Dr. B. Gopal Reddy	Chairperson	NED(1)
Mr. K. Pradyumna teja	Member	NED(1)
Mr. S. Mohan Krishna Murthy	Member	ED

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

**ED** : Executive Director

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

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

**15. DETAILS ON GENERAL BODY MEETINGS:****A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:**

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2014-15	30.09.2015	11:00 a.m	Fat. No. 502, Palem Towers, Barkatpura, Hyderabad-500027	1. Appointment of Ms. D. Laxmi Sravani as Director 2. Re-Appointment of S. Mohan Krishna Murthy as Whole-Time Director 3. Re-Appointment of Mr. Balaji Venkateswarlu Sanka as Whole-Time Director 4. Re-Appointment of Mr. Srinivas Kumar Sanka as Whole-Time Director 5. Re-Appointment of Mr. Satya Narayana Raju Bupathiraju Whole time Director cum CFO 6. Amendment of Articles
2013-14	30.09.2014	11:00 a.m.	Fat. No. 502, Palem Towers, Barkatpura, Hyderabad-500027	Amendment of Articles
2012-13	30.09.2013	11:00 a.m	Flat no. 502, Palem towers, Barkatpura, Hyderabad-500 027	Nil

**B. PASSING OF RESOLUTIONS BY POSTAL BALLOT:**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2015-16.

**16. MEANS OF COMMUNICATION:**

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

**17. GENERAL SHAREHOLDER INFORMATION:****A. ANNUAL GENERAL MEETING:**

**Day, Date and Time :** Friday, 30<sup>th</sup> September, 2016 at 11.00 a.m

**Venue :** D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad, 500029

**B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2016-17 (TENTATIVE SCHEDULE)**

Financial year to which the Annual General Meeting relates: 2015-16

Financial calendar: 2016-17(tentative)

Adoption of Quarterly results for the Quarter ending

- 30th June, 2016 : 12.08.2016 (declared)
- 30th September, 2016 : on or before 14.11.2016
- 31st December, 2016 : on or before 14.02.2017
- 31st March, 2017 : on or before 30.05.2017

Annual General Meeting (Next year): August / September, 2017

**C) DIVIDEND PAYMENT DATE:** No Dividend was declared during the Financial Year 2015-16.

**D) NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:**

The equity shares of the Company got listed on BSE Limited and National Stock Exchange of India on 19.08.2015 and 21.08.2015 respectively.

**EXCHANGE:** BSE LIMITED, P.J. Towers, Dalal Street, Mumbai- 400001.

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

**E) STOCK CODE:**

**EXCHANGE: BSE LIMITED**

**CODE: 539287**

**F) STOCK MARKET PRICE DATA:**

Month	High	Low
April'15	-	-
May'15	-	-
June'15	-	-
July'15	-	-
Aug'15	14.40	11.26
Sept'15	12.40	8.75
Oct'15	20.00	10.80
Nov'15	33.05	16.40
Dec'15	42.10	30.60
Jan'16	35.30	18.25
Feb'16	24.55	14.80
Mar'16	22.45	16.00

**NSE:**

Month	High	Low
April'15	-	-
May'15	-	-
June'15	-	-
July'15	-	-
Aug'15	14.35	11.85
Sept'15	12.45	8.55
Oct'15	19.95	10.50
Nov'15	17.40	33.15
Dec'15	42.20	38.65
Jan'16	35.00	18.10
Feb'16	24.00	16.25
Mar'16	22.85	15.03

**G) IN CASE SECURITIES ARE SUSPENDED FROM TRADING :**

The securities are not suspended from trading on any of the stock exchanges.

**H) REGISTRAR AND SHARE TRANSFER AGENTS:**

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

**I) SHARE TRANSFER SYSTEM:**

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

**J) DEMATERIALISATION & LIQUIDITY OF SHARES:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE749B01012. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	12815202	75.65
CDSL	3930054	23.2
PHYSICAL	195144	1.15
Total	16940400	100.00

**K) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES :** Nil

**L) ADDRESS FOR CORRESPONDENCE:**

S. Murali Krishna Murthy

D. No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad-500029, Telangana

**M) BOOK CLOSURE DATE:** 24th September, 2016 to 30th September, 2016 (both days inclusive)

**N) LISTING FEES:**

The equity shares of the Company are listed on BSE Ltd and NSE Limited. The Company has paid the listing fees for the year 2015-16 to BSE Limited and NSE Limited.

**O) ELECTRONIC CONNECTIVITY :** The Company has demat connectivity with both NSDL and CDSL. The ISIN is INE749B01012

**P) SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2016:**

S.No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group		
1.	Indian Individual	5939348	35.06
2.	Foreign Individual		
	<b>Sub-Total A</b>	<b>5939348</b>	<b>35.06</b>
B	Public Shareholding		
1.	Institutions	-	-
2.	Non Institutions	11001052	64.94
	Sub Total B	11001052	64.94
	<b>Grand Total (A+B)</b>	<b>16940400</b>	<b>100</b>

**Q) Distribution of equity shareholding as on March 31, 2016:**

Range	No. of Shareholders	% of Total Shareholding	No. of Shares	% of Total Shareholding
upto 1 - 5000	3901	65.25	773268	4.56
5001 - 10000	894	14.95	783131	4.62
10001 - 20000	518	8.66	823508	4.86
20001 - 30000	218	3.65	564939	3.33
30001 - 40000	64	1.07	231981	1.37
40001 - 50000	104	1.74	500491	2.95
50001 - 100000	123	2.06	931977	5.50
100000 1 & ABOVE	157	2.63	12331105	72.79
<b>Total:</b>	<b>5979</b>	<b>100.00</b>	<b>16940400</b>	<b>100.00</b>

**18. OTHER DISCLOSURES****A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

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

**B. COMPLIANCES:**

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**C. WHISTLE BLOWER POLICY:**

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

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

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

- i. As there is no Chairman in the Company the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.

**E. WEB-LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED: [www.ortinlabsindia.com](http://www.ortinlabsindia.com)****F. DISCLOSURE OF ACCOUNTING TREATMENT :**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 129 of the Companies Act, 2013.

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

To,

The Board of Directors  
Ortin Laboratories Limited

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

Place: Hyderabad  
Date : 12.08.2016

Sd/-  
S. Murali Krishna Murthy  
Managing Director

Sd/-  
Bh. Satyanarayana Raju  
Whole-time Director cum  
Chief Financial Officer



**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 31<sup>st</sup> March, 2016 as stipulated in Regulation 34(3) read with Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

**For Mathesh & Ramana  
Chartered Accountant**

Sd/-

**B. V. Ramana Reddy  
Partner**

**M. No. 026967**

Place: Hyderabad  
Date : 12.08.2016

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

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

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

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

## **MANAGEMENT'S DISCUSSION & ANALYSIS REPORT**

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

### **INDUSTRY OVERVIEW & OUTLOOK:**

The Indian pharma industry is on a good growth path and is likely to be in the **top 10 global markets in value term by 2020**, according to the PwC – CII report titled “India Pharma Inc: Gearing up for the next level of growth”.

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

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

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 and distribution of medicines in the rural belt.

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

### **OPPORTUNITIES, RISKS AND CONCERNS:**

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

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

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

Senior management personnel meet at regular intervals to identify various risks, assess, and prioritize the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks.

The company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee on a quarterly basis, review the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies, It advises the board on matters of significant concerns for redressal.

**INTERNAL 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 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.

**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

To  
The Members of  
M/s. Ortin Laboratories Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2015 and ended 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2016 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect from 12<sup>th</sup> September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
  - (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2015-16:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **All the required disclosures from time to time and as and when applicable were complied with.**

- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
  - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable**
  - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
  - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
  - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; **The Company has framed code of conduct for regulating & reporting trading by Insiders and for Fair Disclosure, 2015 and displayed the same on company's Website i.e www.ortinlabsindia.com and all required disclosures from time to time as and when applicable are complied with.**
  - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
    - o The Company has signed Uniform listing agreement with National Stock Exchange of India Limited and BSE Limited;
    - o The company has framed the policies as mentioned below and displayed the same on the company's website i.e. www.ortinlabsindia.com
      - Board Diversity Policy
      - Policy on Preservation of Documents
      - Risk Management Policy
      - Whistle Blower Policy
      - Related party transaction policy
      - Familiarisation programme for independent directors
      - Anti Sexual harassment policy
      - Code of conduct
3. During the year the company has conducted 5 Board meetings, 4 Audit committee meetings, 4 Stakeholders Relationship Committee meetings and 1 Nomination & Remuneration Committee meeting. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

## ORTIN LABORATORIES LIMITED

4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;
5. The Company has identified the following laws applicable specifically to the Company:
  - a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
  - b. Drugs and Cosmetics Rules, 1945
  - c. Pharmacy Act, 1948
  - d. Narcotic Drugs and Psychotropic Substances Act, 1985
  - e. Patents Act, 1970
  - f. Essential Commodities Act, 1995
  - g. National Pharmaceutical Policy, 2012
  - h. Labour Laws (wages, bonus, provident fund, gratuity etc)
  - i. Environment Protection Act, 1986

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we report that

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

(b) **We further report that:**

  - (i) Ms. Sharvari S. Khadke was the Company Secretary of the Company up to 30.09.2015. Mr. Bh. Satyanarayana Raju is the CFO of the Company.
  - (ii) The Company has not appointed internal auditor.
  - (iii) The equity shares of the Company got listed on BSE Limited and National Stock Exchange of India on 19.08.2015 and 21.08.2015 respectively.

### **We further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy**

Proprietor

C.P.No: 7478, M.No.A12611

Place: Hyderabad

Date: 12.08.2016



**Annexure**

To  
The Members of  
M/s Ortin Laboratories Limited

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

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

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy**

Proprietor

C.P.No: 7478, M.No.A12611

Place: Hyderabad

Date: 12.08.2016

**MGT 9**

**Extract of Annual Return**

**as on the Financial Year 31.03.2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

I. CIN	L24110TG1986PLC006885
ii. Registration Date	27.10.1986
iii. Name of the Company	Ortin Laboratories Ltd.
iv. Category / Sub-Category of the Company	Company limited by shares/Non-Government company
v. Address of the Registered office and contact details	D. No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad - 500029, Telangana.
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Tel: 040-67161500 Fax 040-23001153

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

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	(2S)-3-Methyl-2-(methyl-2(methyl-((2-(1-methyl ethyl)thiazole-4-yl)methyl) carbonyl)amino) butanoic acid (MTV)	2100	34.03
2.	2-(Chloro Methoxy)3, 4-Dimethoxy Pyridine Hydro Chloride	2100	14.69
3.	(s)-5-chloro-alfa (cyclo Propyl ethnyl)-2-(4-methoxy phenyl)methyl)amino)-a-(trifluoro methyl) benzene methanol	2100	18.59

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:--**

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
The Company does not have any subsidiaries.					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding;-**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	6765461	900	6766361	39.94	5939348	--	5939348	35.06	4.88
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt .(s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1) :-</b>	6765461	900	6766361	39.94	5939348	--	5939348	35.06	4.88
<b>(2) Foreign</b>									
a) NRIs- Individuals	--	--	--	--	--	--	--	--	--
b) Other-Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	6765461	900	6766361	39.94	5939348	--	5939348	35.06	4.88

**B. Public Shareholding**

<b>1. Institutions</b>	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	1290584	1800	1290584	7.63	1168122	--	1168122	6.90	(0.73)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2266380	155464	2421844	14.30	4087082	155544	4242626	25.04	10.74
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5800613	169500	5970113	35.24	5224675	36900	5261575	31.06	(4.18)
c) NBFC registered with RBI	--	--	--	--	156107	--	156107	0.92	0.92
1. NRI	19282	0	19282	0.11	139903	0	139903	0.83	0.72
2. Clearing Members	470416	0	470416	2.78	32719	0	32719	0.19	(2.59)
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	9847275	326764	10174039	60.06	10808608	192444	11001052	64.94	4.88
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	16612736	327664	16940400	100	16747956	192444	16940400	100	--

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
1.	Venkata Rama Gaddam	964600	Nil	964600	5.69	826168	Nil	826168	4.88	(0.81)
2.	Venkata Ramana Gaddam	948470	Nil	948470	5.60	898470	Nil	898470	5.30	(0.30)
3.	A Prabhakar Raju	556933	Nil	556933	3.29	516933	Nil	516933	3.05	(0.24)
4.	Satyanarayana Raju									
	Bhupathiraju	546130	Nil	546130	3.22	496130	Nil	496130	2.93	(0.29)
5.	Alluri Maithili	378810	Nil	378810	2.24	323310	Nil	323310	1.91	(0.33)
6.	Alluri Anantha Laxmi	354022	Nil	354022	2.09	319022	Nil	319022	1.88	(0.21)
7.	A Ranga Raju	337775	Nil	337775	1.99	302775	Nil	302775	1.79	(0.2)
8.	A Srinivasa Raju	338634	Nil	338634	2.00	293634	Nil	293634	1.73	(0.27)
9.	Ramavathi Datla	160778	Nil	160778	0.95	Nil	Nil	Nil	Nil	(0.95)
10	Jagannadha Raju D	131198	Nil	131198	0.77	Nil	Nil	Nil	Nil	(0.77)
11	Sanka Venkata Ratnamma	192389	Nil	192389	1.14	192389	Nil	192389	1.14	--
12	Sanka Srinivasa Kumar	271723	Nil	271723	1.60	271723	Nil	271723	1.60	--
13	Sanka Murali Krishna Murthy	166796	Nil	166796	0.98	168375	Nil	168375	0.99	0.01
14	Sanka Balaji Venkateswarlu	157827	Nil	157827	0.93	157827	Nil	157827	0.93	--
15	Sanka Venkata Sujatha	122800	Nil	122800	0.72	122800	Nil	122800	0.72	--
16	Sanka Sarath Kumar	120200	Nil	120200	0.71	120200	Nil	120200	0.71	--
17	Sanka Hema Kumari	107700	Nil	107700	0.64	97700	Nil	97700	0.58	(0.08)
18	Sanka Venkata Subbamma	101250	Nil	101250	0.60	101250	Nil	101250	0.60	--
19	Lakshmi Sravani Dasari	97500	Nil	97500	0.58	87500	Nil	87500	0.52	(0.06)
20	Sanka Naga Jyothi	100290	Nil	100290	0.59	90290	Nil	90290	0.53	(0.06)
21	Sanka Satya Praveen Kumar	99500	Nil	99500	0.59	79316	Nil	79316	0.47	(0.12)
22	Sanka Mohan Krishna Murthy	60816	Nil	60816	0.36	60816	Nil	60816	0.36	--
23	Sanka Tandav Krishna	85650	Nil	85650	0.51	85650	Nil	85650	0.51	--
24	Krishna Karthik Sanka	85000	Nil	85000	0.50	85000	Nil	85000	0.50	--
25	Sanka Ravi Sankar	85000	Nil	85000	0.50	85000	Nil	85000	0.50	--
26	Gaddam Srinivasa Rao	79680	Nil	79680	0.47	69680	Nil	69680	0.41	(0.06)
27	Gaddam Balaji	75680	Nil	75680	0.45	48180	Nil	48180	0.28	(0.17)
28	Sanka Rajeshwari	39110	Nil	39110	0.23	39110	Nil	39110	0.23	--
29	S Pandari Krishna Murthy	100	Nil	100	0.00	100	Nil	100	0.00	--

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Venkata Rama Gaddam	964600	5.69	826168	4.88
2.	Venkata Ramana Gaddam	948470	5.60	898470	5.30
3.	A Prabhakar Raju	556933	3.29	516933	3.05
4.	Satyanarayana Raju Bhupathiraju	546130	3.22	496130	2.93
5.	Alluri Maithili	378810	2.24	323310	1.91
6.	Alluri Anantha Laxmi	354022	2.09	319022	1.88
7.	A Ranga Raju	337775	1.99	302775	1.79
8.	A Srinivasa Raju	338634	2.00	293634	1.73
9.	Ramavathi Datla	160778	0.95	Nil	Nil
10.	Jagannadha Raju D	131198	0.77	Nil	Nil
11.	Sanka Murali Krishna Murthy	166796	0.98	168375	0.99
12.	Sanka Hema Kumari	107700	0.64	97700	0.58
13.	Lakshmi Sravani Dasari	97500	0.58	87500	0.52
14.	Sanka Naga Jyothi	100290	0.59	90290	0.53
15.	Sanka Satya Praveen Kumar	99500	0.59	79316	0.47
16.	Gaddam Srinivasa Rao	79680	0.47	69680	0.41
17.	Gaddam Balaji	75680	0.45	48180	0.28

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

1	Nalluri Chandra Shekaran Murthy	413939	2.44	13939	0.08
2	Srinidhi Infin Ltd	239316	1.41	156107	0.92
3	Loha Commodities Trading Ltd	400532	2.36	-	-
4	Rajesh Gaurishankar Poddar	794724	4.69	794724	4.69
5	V Varaprasada Rao	268423	1.58	212953	1.26
6	P Kishore Raju	270697	1.60	210697	1.24
7	Penmetsa Venkata Krishnam Raju	272150	1.61	232150	1.37
8	Chakka Madhusudhana Gupta	201605	1.19	-	-
9	Vamsi Krishna Narendrula	255000	1.51	124067	0.73
10	Suggula Srinivasa Rao	204000	1.20	204000	1.20
11	Dasari Bhuvaneshwari	204000	1.20	169000	1.00
12	Shilpi Deewan	-	-	160000	0.94
13	Nirmal Bang Equities Pvt. Ltd.	-	-	160000	0.94
14	Gammini Soma Subba Laxmi	190961	1.13	150394	0.89

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

Sl. No.	For Each of the Directors and KMP	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
<b>1.</b>	<b>Mr. S. Murali Krishna Murthy</b>				
	At the beginning of the year	166796	0.98		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc):	1579 (purchase)	0.01	–	–
	At the End of the year	168375	0.99		
<b>2.</b>	<b>Mr. G. Venkata Ramana</b>				
	At the beginning of the year	948470	5.60		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc):	50000 (sale)	0.30	–	–
	At the End of the year	898470	5.30		
<b>3.</b>	<b>Mr. S. Mohan Krishna Murthy</b>				
	At the beginning of the year	60816	0.36		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc):	–	–	–	–
	At the End of the year	60,816	0.36		
<b>4.</b>	<b>Mr. S. Balaji Venkateswarlu</b>				
	At the beginning of the year	157827	0.93		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	157827	0.93		

**(v) Shareholding of Directors and Key Managerial Personnel: (C0ntd...)**

Sl. No.	For Each of the Directors and KMP	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
<b>5.</b>	<b>Mr. Srinivas Kumar</b>				
	At the beginning of the year	271723	1.61		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			–	–
	At the End of the year	2,71,723	1.61		
<b>6.</b>	<b>Mr. Bh. Satyanarayana Raju</b>				
	At the beginning of the year	546130	3.22		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	50000 (sale)	0.29	–	–
	At the End of the year	496130	2.93		
<b>7.</b>	<b>Ms. Lakshmi Shravani Dasari</b>				
	At the beginning of the year	97500	0.58		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	10000 (sale)	0.06	–	–
	At the End of the year	87500	0.52		
<b>8.</b>	<b>Mr. J. R. K. Panduranga Rao</b>				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			–	–
	At the End of the year	–	–		



**(v) Shareholding of Directors and Key Managerial Personnel: (C0ntd...)**

Sl. No.	For Each of the Directors and KMP	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
9.	<b>Mr. M. Tippayya</b>				
	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-		
10.	<b>Mr. K. Pradyumna Teja</b>				
	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-		
11.	<b>Mr. T Seshagiri</b>				
	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-		
12.	<b>Mr. B. Gopal Reddy</b>				
	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-		

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	182914856	26749888	Nil	209664744
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	182914856	26749888	Nil	209664744
Change in Indebtedness during the financial year				
Addition	(1123483)	-	-	(1123483)
Reduction				
Net Change	(1123483)	-	-	(1123483)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	181791373	26749888	-	208541261
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	181791373	26749888	-	208541261

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
		S. Murali Krishna Murthy and G. Venkata Ramana	S. Mohan Krishna Murthy, S. Balaji Venkateswarlu S. Srinivas Kumar and Bh. Satyanarayana Raju,	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Remuneration to managing Director Rs.125000 /- Per Month (125000 *12)=1500000  Remuneration to Joint managing Director Rs.125000 /- Per Month (125000 *6)=750000+Rs.150000/- (150000 *6) = 900000 Total = 1650000	Remuneration to 3 WTD Rs Rs.80000 /- Per Month (80000 *12)=960000 *3= 2880000  Remuneration to WTD CUM CFO Rs Rs.80000 /- Per Month 80000*6= 480000 + Rs 100000/- (100000 *6) =600000 Total = 1080000	Rs.7110000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total (A)	3150000	3960000	7110000

# ORTIN LABORATORIES LIMITED

## B. Remuneration to other directors: Not Applicable

Particulars of Remuneration	J.R.K Panduranga Rao	M. Tippayya	Pradyumna Teja	T. Seshagiri	B. Gopal Reddy	Total Amount
Independent Directors · Fee for attending board/committee meetings · Commission · Others, please specify	2000	4000	1000	1000	4000	12000
Total (1)	2000	4000	1000	1000	4000	12000
Other Non-Executive Directors · Fee for attending board/committee meetings · commission · Others, please specify	--	--	--	--	--	--
Total (2)	--	--	--	--	--	--
Total (B)=(1+2)	2000	4000	1000	1000	4000	12000
Total Managerial Remuneration						7122000
Overall Ceiling as per the Act	--	--	--	--	--	--

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No. Particulars of Remuneration	Key Managerial Personnel			
	CEO	Sharvari Suhas Khadke Company Secretary	CFO	Total
1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	20000 Per Month i.e 20000*5= 100000	--	100000
2. Stock Option	--	--	--	--
3. Sweat Equity	--	--	--	--
4. Commission - as % of profit - others, specify...	--	--	--	--
5. Others, please Specify	--	--	--	--
6. Total		100000		100000

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**ANNEXURE II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors  
M/s Ortin Laboratories Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

**J. R. K. Panduranga Rao**  
(Independent director)

Date : 12.08.2016  
Place: Hyderabad

**ANNEXURE II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors  
M/s Ortin Laboratories Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

**M. Tippayya**  
(Independent director)

Date: 12.08.2016  
Place: Hyderabad

**ANNEXURE II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To

The Board of Directors

M/s Ortin Laboratories Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

**K. Pradyumna Teja**  
(Independent director)

Date: 12.08.2016  
Place: Hyderabad

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors  
M/s Ortin Laboratories Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

**T. Seshagiri**  
(Independent director)

Date : 12.08.2016  
Place: Hyderabad

**ANNEXURE II**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

M/s Ortin Laboratories Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

**Dr. B. Gopal Reddy**  
(Independent director)

Date : 12.08.2016  
Place: Hyderabad



**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

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

## 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** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

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 specified under section 143(10) of the Act 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give true and fair view 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 on the financial statements.

**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, 2016; and
- b) in the case of the Profit and Loss Account, of the profit for the period ended on that date.
- c) in the case of the cash flow statement, of the Cash Flows, for the period ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give Annexure A a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable to the company.
2. As required by section 143(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 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 comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of Act.
  - f. In our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in auditor's report in accordance with Rule 11 of Companies (Audit and Auditors), Rules 2014, in our opinion and to the best of our information and according to the explanation given to us;

- i. The Company has disclosed the impact of pending litigation of its financial position in its financial statements.
- ii. In our opinion and as per the information and explanations provided to us, the company not entered into any long term contracts including derivate contracts, requiring under applicable laws or accounting standards for material foreseeable losses, and
- iii. There has been no delay in transferring to the Investor Education and Protection Fund by the Company.

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

Sd/-

**B.V. RAMANA REDDY**

M. No. 026967 Partner

Place: Hyderabad.

Date: 30/05/2016

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

Referred to in Paragraph 1 under section (Report on other Legal and Regulatory Requirements 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) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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 nature of its business.
- (c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The company has not granted loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013,
- (b) The company is regular in recovering the principal amounts as stipulated and has been regular in the receiving of interest.
- (c) There were no overdue amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

Creditor balances and Debtors with credit balances as on 31.03.2016 were due for a period of more than 365 days. The quantifying details were as follows:

- 1) Creditors due for more than 365 days as – Rs. 6,51,42,833/-.
- (vi) In our opinion and according to the information and explanations given to us, the company is maintaining proper cost records, as been prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:
1. Service Tax Under RCM on Sitting Fee – Rs. 2472/-
  2. Sales Tax payable (Mumbai Br.) – Rs. 1,15,702/-
  3. Value Added Tax Payable 2012-13 – Rs. 88,002/-
- (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.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of Initial Public offer or Further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-

**B.V. Ramana Reddy**  
Partner  
Membership No. 026967

Place: Hyderabad  
Date: 30.05.2016

## **ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT**

### **Re: ORTIN LABORATORIES LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Ortin Laboratories Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

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

**Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

Place: Hyderabad.  
Date : 30.05.2016

Sd/-

**B. V. RAMANA REDDY**  
M. No. 026967  
Partner

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of **ORTIN LABORATORIES LIMITED**, Hyderabad for the period ended 31<sup>st</sup> March, 2016. The statement has been prepared by the Company in accordance with the requirements of regulation 36 of LO & DR, 2015 and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by report of 30<sup>th</sup> May, 2016 to the members of the Company.

**For Mathesh & Ramana**  
Chartered Accountants

Sd/-

**B.V. Ramana Reddy**  
Partner  
Membership No. 026967

Place: Hyderabad  
Date: 30.05.2016

**Balance Sheet as at March 31, 2016**

(All amounts in Indian Rupees except as otherwise stated)

PARTICULARS	Notes	As at 31/03/2016	As at 31/03/2015
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	169,404,000	169,404,000
Reserves and surplus	4	63,320,994	54,982,533
		232,724,994	224,386,533
<b>NON - CURRENT LIABILITIES</b>			
Long-term borrowings	5	47,987,807	49,455,562
Deferred tax liabilities (Net)	6	29,886,103	29,215,741
Other Long term liabilities	7	20,650	20,650
Long-term provisions	8	2,050,247	1,427,266
		79,944,807	80,119,219
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	9	152,207,985	148,021,215
Trade payable	10	106,295,036	168,482,065
Other current liabilities	11	82,021,956	51,571,422
Short-term provisions	8	168,196	98,715
		340,693,173	368,173,417
<b>TOTAL</b>		<b>653,362,974</b>	<b>672,679,169</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Tangible assets	12	216,273,238	218,344,904
Intangible Assets		-	-
Capital Work in Progress		-	-
		216,273,238	218,344,904
<b>NON-CURRENT INVESTMENTS</b>			
Long-term loans and advances	14	308,000	338,761
Other non-current assets	13	17,226,963	20,521,960
	15	-	-
		233,808,201	239,205,625
<b>CURRENT ASSETS</b>			
Inventories	16	168,399,601	219,754,579
Trade receivables	17	203,817,878	171,362,327
Cash and Cash Equivalents	18	16,635,850	17,379,790
Short term loans and advances	13	30,305,706	24,634,559
Other current assets	15	395,738	342,289
		419,554,773	433,473,544
<b>TOTAL</b>		<b>653,362,974</b>	<b>672,679,169</b>
Summary of significant accounting policies	2		

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

For and on behalf of the Board

**For MATHESH & RAMANA**

Chartered Accountants

Sd/-

**B. V. Ramana Reddy**

M. No. 26967 Partner

F. R. No: 002020S

Place: Hyderabad

Date: 30/05/2016

**For ORTIN LABORATORIES LIMITED**

Sd/-

**S. MURALI KRISHNA MURTHY**

Managing Director

Sd/-

**G. VENKATA RAMANA**

Joint Managing Director

Sd/-

**Bh. Satyanarayana Raju**

Whole-time Director cum Chief Financial Officer

**Statement of Profit and Loss as on March 31, 2016**

(All amounts in Indian Rupees except as otherwise stated)

PARTICULARS	Notes	For the year ended 31/03/2016	For the year ended 31/03/2015
<b>Income</b>			
Revenue from operations	19	629,446,762	604,125,569
Other income	20	5,742,907	2,201,734
<b>Total revenue (i)</b>		<b>635,189,669</b>	<b>606,327,303</b>
<b>Expenses</b>			
Cost of material consumed	21	450,764,171	418,516,900
(Increase)/decrease in inventory	22	(37,504,037)	(1,322,461)
Employee benefits expenses	23	28,328,336	24,106,897
Other expenses	24	128,959,956	97,859,428
Finance expenses	25	34,213,098	35,214,707
Depreciation & amortisation	12	16,474,226	16,415,254
<b>Total (ii)</b>		<b>621,235,750</b>	<b>590,790,725</b>
<b>Profit before tax (i-ii)</b>		<b>13,953,919</b>	<b>15,536,578</b>
<b>Prior Period Items</b>		<b>4,964</b>	<b>(2,203,466)</b>
<b>Total</b>		<b>13,958,883</b>	<b>13,333,112</b>
<b>Tax expenses</b>			
Current tax		4,981,205	4,872,103
Deferred tax		670,362	(559,500)
Prior years' tax adjustment		(31,144)	41,275
<b>Total tax expense</b>		<b>5,620,423</b>	<b>4,353,879</b>
<b>Profit for the year</b>		<b>8,338,460</b>	<b>8,979,233</b>
<b>Earnings per equity share</b>			
- Basic		0.49	0.53
- Diluted		0.49	0.53
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 and on behalf of the Board

**For MATHESH & RAMANA**

Chartered Accountants

Sd/-

**B. V. Ramana Reddy**

M. No. 26967 Partner

F. R. No: 002020S

Place: Hyderabad

Date: 30/05/2016

**For ORTIN LABORATORIES LIMITED**

Sd/-

**S. MURALI KRISHNA MURTHY**

Managing Director

Sd/-

**G. VENKATA RAMANA**

Joint Managing Director

Sd/-

**Bh. Satyanarayana Raju**

Whole-time Director cum Chief Financial Officer

## Cash Flow from Operation Activities

(Amounts in Indian Rupees)

PARTICULARS	For the year ended 31/03/2016	For the year ended 31/03/2015
Net profit before tax	13,990,027	13,291,837
ADD : Depreciation	16,474,226	16,415,254
ADD : Misc. Expenses	-	206,656
ADD: Interest	34,213,098	35,214,707
Less: Interest received	1,205,559	1,238,925
Less: Misc. income	4,537,348	962,809
<b>Operating Profit</b>	<b>58,934,444</b>	<b>62,926,720</b>
Increase in inventories	51,354,978	(2,526,086)
Increase in debtors	(32,455,551)	42,876,715
Increase in loan & advances	(2,429,599)	(2,428,571)
Increase/Decrease in current liabilities	(31,044,033)	(74,518,916)
<b>Cash generated from operations</b>	<b>44,360,240</b>	<b>26,329,862</b>
Less: Tax expense	4,981,205	4,872,103
Less: Interest paid	34,213,098	35,214,707
<b>Cash from operations</b>	<b>5,165,936</b>	<b>(13,756,948)</b>
Increase in Investments	30,761	-
Add: Misc. Income	4,537,348	962,809
Add: Additions to Fixed Assets	(14,402,560)	9,376
Add: Interest Received	1,205,559	1,238,925
<b>Net Cash Used in Investing</b>	<b>(8,628,892)</b>	<b>2,211,110</b>
Receipts from share capital	-	-
Receipts from new borrowings	2,719,015	17,319,110
<b>Net Cash Used in Financing Activity</b>	<b>2,719,015</b>	<b>17,319,110</b>
<b>Net cash Flow</b>	<b>(743,941)</b>	<b>5,773,272</b>
Opening Balance	17,379,790	11,606,518
Add: Opening Balance of Vineet Laboratories on account of Merger	-	-
Net cash Flow	(743,941)	5,773,272
<b>Cash and Cash Equivalents</b>	<b>16,635,849</b>	<b>17,379,790</b>

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: 30/05/2016

For and on behalf of the Board

**For ORTIN LABORATORIES LIMITED**

Sd/-

**S. MURALI KRISHNA MURTHY**

Managing Director

Sd/-

**Bh. Satyanarayana Raju**

Whole-time Director cum Chief Financial Officer

Sd/-

**G. VENKATA RAMANA**

Joint Managing Director

**NOTES FORMING PART OF FINANCIAL STATEMENTS:.**

**NOTE 1: CORPORATE INFORMATION:**

Ortin Laboratories Limited ("The Company") was incorporated on 27<sup>th</sup> October, 1986 and the CIN being L24110TG1986PLC006885. The Company is engaged in the business of Manufacturing and trading of Pharmaceuticals, Drugs and Intermediates.

**NOTE 2: 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 III of the Companies Act, 2013.

**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 as per the provisions specified in the Schedule II of the Companies Act, 2013.

**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:**

Turnover is recognized on dispatch of products and is exclusive 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 and 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 with and is based on the Balance Sheet as at 31st March, 2016 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 accounts for equity settled stock options as per the accounting treatment prescribed by Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

**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 amortization and accumulated impairment losses, if any. Intangible assets are amortized as per Accounting Standard 26.

**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, 2016**

(All amounts in Indian Rupees except as otherwise stated)

**3. SHARE CAPITAL**

	As at 31/03/2016	As at 31/03/2015
<b>Authorised:</b> 2,00,00,000 equity shares of Rs.10/-each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, subscribed and fully paid-up:</b> 1,69,40,400 equity shares of Rs.10/- each fully paid-up	169,404,000	169,404,000
<b>Total issued, subscribed and fully paid up share capital</b>	<b>169,404,000</b>	<b>169,404,000</b>

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

	As at 31/03/2016		As at 31/03/2015	
	No's	Amount	No's	Amount
<b>Equity shares of Rs. 10/-each fully paid</b>				
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 31/03/2016		As at 31/03/2015	
	No's	% holding	No's	% holding
<b>Equity shares of Rs. 10/- each fully paid</b>				
Venkata Ramana Gaddam	898,470	5.30%	948,470	5.60%
Venkata Rama Gaddam	-	-	964,600	5.69%

**4. RESERVES AND SURPLUS**

	As at 31/03/2016	As at 31/03/2015
<b>Share Forfeiture Reserve</b>		
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	<b>6,452,500</b>	<b>6,452,500</b>
<b>Capital Reserve</b>		
Balance, at the beginning of the year	2,122,500	2,122,500
Balance, at the end of the year	<b>2,122,500</b>	<b>2,122,500</b>
<b>Surplus in the statement of profit and loss</b>		
Balance, at the beginning of the year	46,407,534	41,641,282
Add: Excess provision written back	-	-
Add: Profit for the year	8,338,460	8,979,233
Less: Proposed Dividend	-	-
Less: Dividend Distribution tax on Proposed Dividend	-	-
Less: Adjustment to Fixed Assets on account of new provisions under chapter II of Companies Act, 2013	-	4,212,982
Net surplus in the statement of profit and loss	<b>54,745,994</b>	<b>46,407,533</b>
<b>Total reserves and surplus</b>	<b>63,320,994</b>	<b>54,982,533</b>

**5. LONG TERM BORROWINGS**

	Non-current portion		Current maturities	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
Term loan from Banks (Secured)	18,070,589	20,956,220	6,499,798	11,472,000
Term Loan from Financial Institutions (Unsecured)	-	-	-	-
Vehicle Loan from Banks (Secured)	3,167,330	1,749,454	1,845,671	715,967
Interest Free Sales Tax Loan from Govt. of A.P	1,115,966	1,115,966	-	-
<b>Unsecured</b>				
From Directors & their relatives	25,633,922	16,179,276	-	-
Loan from others	-	9,454,646	-	-
	<b>47,987,807</b>	<b>49,455,562</b>	<b>8,345,469</b>	<b>12,187,967</b>

**Security Details**

Term Loan from Bank is Secured by hypothecation of Fixed Assets and Personal Guarantee of directors of the company excluding Honourary directors.

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

**6. DEFERRED TAX LIABILITIES (NET)**

	As at 31/03/2016	As at 31/03/2015
Opening Balance	29,215,741	29,775,241
Add: Deferred Tax for the year	670,362	(559,500)
<b>Total</b>	<b>29,886,103</b>	<b>29,215,741</b>

**7. OTHER LONG-TERM LIABILITIES**

	As at 31/03/2016	As at 31/03/2015
Security Deposit	20,650	20,650
	<b>20,650</b>	<b>20,650</b>

**8. PROVISIONS**

	Long Term		Short Term	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
<b>Provision for Taxation</b>				
Provision for Income Tax	-	-	4,981,205	4,872,103
Add: Interest on Income Tax	-	-	16,736	5,534
Less: MAT Credit Utilised	-	-	-	166,332
Less: TDS	-	-	4,829,745	4,627,281
	-	-	168,196	84,024
Provision for employee benefits (Gratuity)	2,050,247	1,427,266	-	-
Proposed Dividend	-	-	-	14,690
Dividend Distribution tax on Proposed Dividend	-	-	-	-
	<b>2,050,247</b>	<b>1,427,266</b>	<b>168,196</b>	<b>98,714</b>

**9. SHORT-TERM BORROWINGS**

	As at 31/03/2016	As at 31/03/2015
<b>Secured</b>		
Cash Credit from Banks (Secured)	152,207,985	148,021,215
<b>Unsecured</b>		
From Directors & their relatives	-	-
Loan from others	-	-
	<b>152,207,985</b>	<b>148,021,215</b>

- 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.

**10. TRADE PAYABLES**

	As at 31/03/2016	As at 31/03/2015
Trade payables	106,295,036	168,482,065
	<b>106,295,036</b>	<b>168,482,065</b>

**11. OTHER CURRENT LIABILITIES**

	As at 31/03/2016	As at 31/03/2015
Current maturities of secured long term borrowings (refer note 4)	8,345,469	12,187,967
Customers credit balance	613,846	23,560,917
Bills Payable	59,981,514	4,194,529
Staff Creditors	3,056,807	2,299,931
Outstanding Liability for Expenses	10,024,320	9,328,078
	<b>82,021,956</b>	<b>51,571,422</b>

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

S. No.	PARTICULARS	GROSS BLOCK				TRANSFER TO RETAINED EARNINGS	DEPRECIATION				NET BLOCK	
		Cost as on 01/04/2015 Rupees	Additions Rupees	Deletions Rupees	Cost as on 31/03/2016 Rupees		Upto 01/04/2015 Rupees	For the year Rupees	Deletions Rupees	Upto 31/03/2016 Rupees	As on 31/03/2016 Rupees	As on 31/03/2015 Rupees
1	Land	5,356,926	-	0	5,356,926	-	-	-	-	-	5,356,926	5,356,926
2	Factory building	62,550,251	1,350,421	0	63,900,672	-	2,086,901	-	16,741,914	-	47,158,758	47,895,238
3	Administrative building	1,072,658	-	0	1,072,658	-	18,011	-	288,371	-	784,287	802,298
4	Plant & machinery	208,989,687	7,418,775	0	216,408,462	-	10,734,496	-	72,345,251	-	144,063,210	147,378,931
5	Testing equipment	7,759,205	830,700	0	8,589,905	-	417,645	-	3,099,898	-	5,490,007	5,076,952
6	Furniture & fixtures	2,819,307	-	0	2,819,307	-	150,798	-	2,322,662	-	496,645	647,443
7	Electrical fittings	9,146,756	-	0	9,146,756	-	1,391,866	-	6,281,815	-	2,864,941	4,256,807
8	Vehicles.	9,108,507	4,727,333	1031000	12,804,840	-	1,289,816	904,231	5,123,005	-	7,681,835	4,371,087
9	Other assets	2,854,589	-	0	2,854,589	-	143,690	-	1,418,894	-	1,435,695	1,579,385
10	Computer	4,072,078	139,550	0	4,211,628	-	79,220	-	4,053,450	-	158,178	97,848
11	Modixerox	205,400	-	0	205,400	-	10,007	-	205,400	-	-	10,007
12	Generator Set	311,801	-	0	311,801	-	-	-	311,801	-	(0)	(0)
13	Air conditioner	1,573,310	127,940	76100	1,625,150	-	151,776	10,710	842,395	-	782,755	871,981
14	Capital Work in Progress	-	-	0	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>315,820,474</b>	<b>14,594,719</b>	<b>1107100</b>	<b>329,308,093</b>	<b>-</b>	<b>16,474,226</b>	<b>914,941</b>	<b>113,034,855</b>	<b>914,941</b>	<b>216,273,238</b>	<b>218,344,904</b>
	<b>PREVIOUS YEAR</b>	<b>317,719,196</b>	<b>2,845,794</b>	<b>4744516</b>	<b>315,820,474</b>	<b>4,212,982</b>	<b>16,415,254</b>	<b>1,889,346</b>	<b>97,475,570</b>	<b>1,889,346</b>	<b>218,344,904</b>	<b>238,982,516</b>

**13 LOANS AND ADVANCES**

	Non-current (Long term)		Current (Short term)	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
<b>Unsecured, considered good</b>				
Trade and other deposit	8,228,329	3,247,909	1,877,997	1,721,447
Loan and advances to related parties	-	-	-	-
Prepaid Expenses	-	-	73,708	217,902
Other loans & Advances	8,998,634	17,274,051	28,354,001	22,695,210
	<b>17,226,963</b>	<b>20,521,960</b>	<b>30,305,706</b>	<b>24,634,559</b>

**14 INVESTMENTS**

	Non-current (Long term)		Current (Short term)	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
Investment in Equity Instruments( At cost)	8,000	38,761		
Investment in Mutual Funds (At Cost)	300,000	300,000	-	
	<b>308,000</b>	<b>338,761</b>	-	-

**15 OTHER CURRENT ASSETS**

	Non current		Current	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
<b>Unsecured, considered good</b>				
Interest Receivable	-	-	392,944	339,495
Excise Duty Claim Receivable on Export	-	-	2,794	2,794
	-	-	<b>395,738</b>	<b>342,289</b>

**16 INVENTORIES**

	As at 31/03/2016	As at 31/03/2015
Finished goods & WIP	58,393,998	20,889,961
Raw material	110,005,603	195,856,396
Stores & Spares	-	3,008,222
	<b>168,399,601</b>	<b>219,754,579</b>

**17 TRADE RECEIVABLES**

	As at 31/03/2016	As at 31/03/2015
<b>Unsecured, considered good</b>		
Outstanding for a period not exceeding six months from the date they are due for payments	89,324,725	164,921,543
Others	114,493,153	6,440,784
	<b>203,817,878</b>	<b>171,362,327</b>

**18 CASH AND BANK BALANCES**

	Non current		Current	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
<b>Cash and cash equivalents</b>				
Balances with banks on current account	-	-	5,628,564	1,609,955
Balance with banks in Fixed Deposits/Term Deposit	-	-	949,400	856,124
Cash on hand	-	-	957,458	5,813,283
	-	-	<b>7,535,422</b>	<b>8,279,362</b>
<b>Other bank balances</b>				
Margin money deposits against Letter of Credit	-	-	9,100,428	9,100,428
	-	-	<b>16,635,850</b>	<b>17,379,790</b>
Less: Amount disclosed under non current assets	-	-	-	-
	-	-	<b>16,635,850</b>	<b>17,379,790</b>

**19 REVENUE FROM OPERATIONS**

	For the year ended 31/03/2016	For the year ended 31/03/2015
<b>A) Sales(Net)</b>		
Domestic sales	440,214,564	435,440,246
Export sales	-	-
	440,214,564	435,440,246
Less : Excise Duty	42,521,068	43,008,467
	<b>397,693,496</b>	<b>392,431,778</b>
<b>B) Other operating revenues</b>		
Job work Receipts	231,753,266	211,693,791
	231,753,266	211,693,791
	<b>629,446,762</b>	<b>604,125,569</b>

**20 OTHER INCOME**

	For the year ended 31/03/2016	For the year ended 31/03/2015
Interest Received	1,205,559	1,238,925
Profit on Foreign Exchange Fluctuation	15,021	-
Discount on Purchase	103,609	57,455
Sale of Scrap	-	2,000
Dividend	3,770	3,016
Service Charges Income	33,887	27,103
Subsidy on Electrical Charges	2,435,580	-
Commission on Sales	1,247,858	811,800
Miscellaneous Income	320,870	61,435
Profit on Sale of Asset	298,231	-
Profit on Sale of Shares of KBL	78,522	-
Waiver on Electricity Supplementary Charges	-	-
	<b>5,742,907</b>	<b>2,201,734</b>

**21 COST OF MATERIALS CONSUMED**

	For the year ended 31/03/2016		For the year ended As at 31/03/2015	
Inventory at the beginning of the year		195,856,369		194,524,041
Add: Purchases	365,304,776		420,045,828	
Less: Returns	391,398	364,913,378	196,573	419,849,255
		<b>560,769,774</b>		614,373,296
Less: inventory at the end of the year		110,005,603		195,856,396
		<b>450,764,171</b>		418,516,900

**22 (INCREASE)/DECREASE IN INVENTORY**

	For the year ended 31/03/2016	For the year ended 31/03/2015
<b>Opening stock of inventories</b>		
Work-in-Progress/Finished goods	20,889,961	19,567,500
	<b>20,889,961</b>	19,567,500
<b>Closing stock of inventories</b>		
Work-in-Progress/Finished goods	58,393,998	20,889,961
	58,393,998	20,889,961
	<b>(37,504,037)</b>	<b>(1,322,461)</b>

**23 EMPLOYEE BENEFIT EXPENSES**

	For the year ended 31/03/2016	For the year ended 31/03/2015
Salaries, wages and allowances	16,754,548	13,297,909
Directors Remuneration	7,110,000	6,755,920
Contribution to provident and other funds	1,714,778	1,586,890
Gratuity expense	622,981	319,903
Staff welfare expenses	2,126,029	2,146,275
	<b>28,328,336</b>	<b>24,106,897</b>



**24 OTHER EXPENSES**

	For the year ended 31/03/2016		For the year ended 31/03/2015	
Rates and taxes		715,377		450,925
Insurance		426,101		796,239
Legal and Professional charges		1,938,584		1,589,619
ROC Expenses		6,600		9,000
Stamp Duty		6,460		140,300
Communication expenses		742,092		689,988
Travel & conveyance expenses		1,503,297		1,297,698
Rent Office & Godown		501,900		227,928
Power & Fuel		46,845,922		45,453,677
Sales & Business Promotion		542,306		670,948
Payment to Auditors				
Statutory audit		250,000		250,000
Tax audit		30,000		30,000
Taxation and Other Matters		20,000		20,000
Cost Audit Fees		43,000		40,000
Repairs & Maintenance Expenses		8,118,887		7,464,916
<b>Consumption of Stores</b>				
Inventory at the beginning of the year	3,008,222		3,136,952	
Add: Purchases	9,279,931		6,036,102	
	<b>12,288,153</b>		9,173,054	
Less: inventory at the end of the year	-	12,288,153	3,008,222	6,164,832
Discount & Rebate		2,270,227		1,172,460
Freight & Transportation		1,928,007		2,117,560
Labour Wages		27,023,843		21,353,033
Security Charges		2,087,761		1,803,059
Printing & Stationery		553,268		762,494
Miscellaneous expenses		6,789,372		4,028,219
Job Work Charges		14,182,896		1,076,630
Loss On Foreign exchange fluctuation		-		43,248
Customs Duty		145,903		-
Forfeited Land Advance		-		-
Miscellaneous expenses written off		-		206,656
		<b>128,959,956</b>		97,859,428

**25 FINANCE COST**

	For the year ended 31/03/2016	For the year ended 31/03/2015
Interest on fixed period loans	4,780,785	2,240,371
Interest on working capital loans	24,434,273	24,766,544
Interest on Late payment of Taxes	159,110	201,380
Interest - Others	29,108	321,768
Bank charges (including loan processing charges)	506,769	1,308,203
<i>Interest &amp; Penalty paid - EPF</i>	838,517	
Interest on Income Tax	16,736	5,534
LC & Bill discounting Charges	3,447,800	6,370,907
	<b>34,213,098</b>	35,214,707

**26. 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.

**27. FOREIGN EXCHANGE TRANSACTIONS:**

Particulars	31 March 2016 Rupees
a. Value of imports	8,15,679

During the year, there was a foreign exchange Profit of Rs. 15,021/- to the company.

**28. MANAGERIAL REMUNERATION:**

	31 March 2016 Rupees
1. Sri. S. MURALI KRISHNA MURTHY	15,00,000
2. Sri. S. MOHAN KRISHNA MURTHY	9,60,000
3. Sri. S. BALAJI VENKATESWARLU	9,60,000
4. Sri. S. SRINIVAS KUMAR	9,60,000
5. Sri. G. VENKATARAMANA	16,50,000
6. Sri. B. H. SATYANARAYANARAJU	10,80,000

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

**29. REMUNERATION TO AUDITORS:**

	31 March 2016 Rupees
Audit Fee	2,50,000
Tax Audit Fee	30,000
For taxation and other matters	20,000
<b>TOTAL</b>	<b>3,00,000</b>

**30. CONTINGENT LIABILITIES:**

- a) The contingent liabilities as on 31st March, 2016 are as follows:
- Letters of Credit worth Rs. 599.82 lacs were outstanding at the end of the year.
  - With respect to Income Tax Scrutiny Assessment, the department raised a demand of Rs. 12.74 Crores for the F. Y. 2011-12. The company has filed an appeal and the same is pending with the Income Tax Department.
  - Mumbai sales tax authorities raised a demand of Rs. 76.74 lacs for the F. Y. 2008-09. The company filed an appeal and the same is pending before the authorities.
  - Excise Department raised a demand of Rs. 10.03 lacs for the F.Y. 2010-11 and F.Y.2011-12. The company filed an appeal and the same is pending for disposal.
- b) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for – NIL.

**31. DEFERRED TAX :**

	<b>31 March 2016 Rupees</b>
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	21,62,73,238
Net Block as per Income Tax Act	12,41,60,115
Timing Difference	9,21,13,123
Net Tax Liability as on 31-03-2016	2,98,86,103
Less: Deferred Tax Liability as on 31-03-2015	2,92,15,741
Effect on Profit and Loss Account (Deferred Tax for the year)	6,70,362

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

**32. 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.	83,38,460
v. Basic Earning per Share. (face value Rs. 10/-)	0.49

**(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	83,38,460
v. Basic Earning per Share (face value Rs. 10/-)	0.49

**33. 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:

Sl. No.	Name of the Related Party	Relation	Nature of Transaction	Volume of Transaction (₹.)	Closing Balance as on 31/03/2016 (₹.)
1.	Sri Sai Krishna Marketing Associates	Associate Firm	Sales Purchases	4,58,60,989/- 19,46,360/-	1,77,43,079/- Dr.
2.	Wohler Laboratories Private Limited	Associate Company	Sales Purchases	---- 1,11,17,554/-	2,31,99,152/- Dr.
3.	S. Balaji Venkateshwarlu	Director	Unsecured Loan	–	16,90,500/- Cr.
4.	S. Mohan Krishna Murthy	Director	Unsecured Loan	–	19,40,500/- Cr.
5.	S. Murali Krishna Murthy	Managing Director	Unsecured Loan	–	30,21,500/- Cr.
6.	S. Srinivas Kumar	Director	Unsecured Loan	–	24,05,500/- Cr.
7.	Bh. Satyanarayana Raju	Director	Unsecured Loan	63,42,358/-	13,43,245/- Cr.
8.	G. Venkata Ramana	Joint Managing Director	Unsecured Loan	–	6,57,986/- Cr.

**34. 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.

**35. 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.

**36.** The cash balance as on 31/03/2016 amounts to Rs.9,57,458/- which given the nature of the business of the company is relatively on higher side. Since we could not undertake physical verification of cash on 31/03/2016, we have relied upon the certificate issued by the management in this regard.

**37.** In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management's assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

- 38.** 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.
- 39.** Confirmation of balances has not been received from any of the Creditors, Debtors and for Loans & Advances, which are subject to reconciliation. Provision for doubtful debts, if any, in respect of the above and the consequential adjustment, if any, whether of revenue nature or otherwise, will be dealt accordingly.
- 40.** 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.
- 41.** ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE III TO THE COMPANIES ACT 2013, (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.
- 42.** The company has not proposed any dividend for the year under review.
- 43.** The undisputed statutory dues payable pending as at 31/03/2016 for more than six months are Service Tax of Rs. 17,92,613/-, Sales Tax of Rs. 2,03,704/- . .
- 44.** During the year the following provisions were made:
- | Particulars                    | Rupees    |
|--------------------------------|-----------|
| Current Tax                    | 49,81,205 |
| Previous Year's Tax adjustment | (31,144)  |
- 45.** During the year the Company has made Rs.6,22,981/- 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 01/04/2015	14,27,266
Add: Provision made during the year	6,22,981
Closing Balance as on 31/03/2016	20,50,247

46. 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	540
2.	Manikanta Bank	100	5,000	(unquoted)
3.	DSP Block Rock		3,00,000	5,51,177

Investments were stated at cost price in the financial statements.

47. 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 186 of Companies Act.  | NIL |
| (d) Loans and Advances in the nature of Loans to firms/companies<br>In which directors are interested.  | NIL |
| (e) Investment by the Loanee in the shares of the parent company<br>And subsidiary company, when the company has made a loan<br>Or advance in the nature of loan. | NIL |

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

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

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: 30/05/2016

For and on behalf of the Board

**For ORTIN LABORATORIES LIMITED**

Sd/-

**S. MURALI KRISHNA MURTHY**  
Managing Director

Sd/-

**G. VENKATA RAMANA**  
Joint Managing Director

Sd/-

**Bh. Satyanarayana Raju**  
Whole-time Director cum Chief Financial Officer

Form No. MGT-11

## Proxy form

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

CIN: L24110TG1986PLC006885  
Name of the company: Ortin Laboratories Limited  
Registered office: D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony,  
Domalguda, Hyderabad 500029 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 29<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> day of September, 2016 at 11.00 a.m at D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad-500029 Telangana and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

### Resolutions:

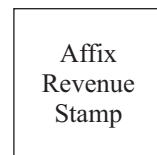
1. Approval of financial statements for the year ended 31.03.2016.
2. Appointment of Mr. G. Venkata Ramana as Joint Managing Director who retires by rotation.
3. Appointment of Mr. Mohan Krishna Murthy as Director who retires by rotation.
4. Appointment of statutory auditors and fixation of their remuneration.
5. Re-appointment of Mr. G. Venkata Ramana as Joint Managing Director.

Signed this ..... day of ..... 2016

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**

D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony,  
Domalguda, Hyderabad - 500029, Telangana

**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence for the 29th Annual General Meeting of the members to be held on Friday, 30th day of September, 2016 at 11.00 a.m at D.No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad 500029 Telangana and at any adjourned meeting thereof.

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

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

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

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

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

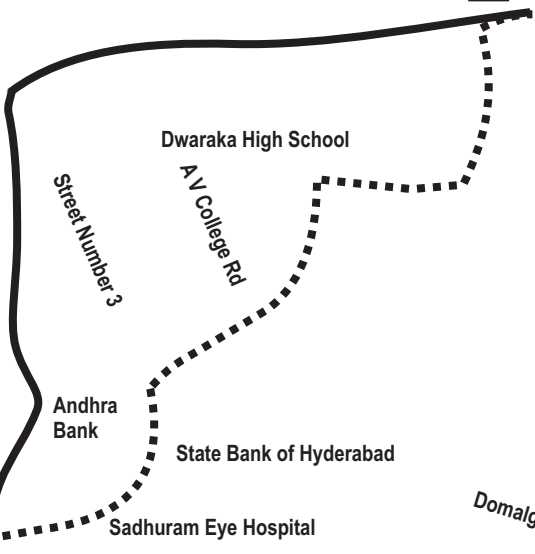




**ORTIN LABORATORIES LIMITED**  
D.No: 1-2-593/29, Ground Floor,  
Street No.4, Gagan Mahal Colony,  
Domalguda, Hyderabad - 500029, Telangana

**Balasai Mandir Rd  
Gagan Mahal**

Telugu Talil Vighram



Basheerbagh Road

Basheerbagh Road

Street Number 3

Dwaraka High School

A V College Rd

Andhra Bank

State Bank of Hyderabad

Sadhram Eye Hospital

Domalguda Road

Empty



Book Post

***If undelivered, please return to :***



**ORTIN LABORATORIES LIMITED**

D. No: 1-2-593/29, Ground Floor, Street No.4,  
Gagan Mahal Colony, Domalguda, Hyderabad-500029,  
Telangana, Ph: 040-27567266, Fax: 040-66103055  
E-mail : [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)  
Website : [www.ortinlabsindia.com](http://www.ortinlabsindia.com)