



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



To,

Date: 06.09.2019

1. BSE Limited, P.J. Towers, Dalal Street, Mumbai - 400001	2. National Stock Exchange of India Limited Bandra-Kurla Complex, Bandra (East) Mumbai 400051
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Dear Sir/ Madam,

Sub: Annual report for the year 2018-19

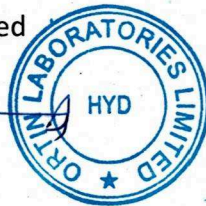
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

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

Thanking you.

Yours faithfully,
For Ortin Laboratories Limited



S. Mohan Krishna Murthy
Whole Time Director
DIN: 00540705

Encl. as above



ORTIN LABORATORIES LIMITED

32nd
ANNUAL REPORT
2018-2019

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 | - Non-Executive Director | (DIN: 02010148) |
| 5. Mr. S. Srinivas Kumar | - Whole Time Director | (DIN: 02010272) |
| 6. Mr. Bh. Satyanarayana Raju | - Whole Time Director | (DIN: 02697880) |
| 7. Mr. J. R. K. Panduranga Rao | - Independent Director | (DIN: 00294746) |
| 8. Mr. K. Pradyumna Teja | - Independent Director | (DIN: 03074013) |
| 9. Mr. T Seshagiri | - Independent Director | (DIN: 06715818) |
| 10. Mr. B. Gopal Reddy | - Independent Director | (DIN: 06716560) |
| 11. Ms. T. Uma Sangeetha | - Independent Director | (DIN: 08120320) |

CFO: Mr. Bh. Satyanarayana Raju

COMPANY SECRETARY: Ms. Sharvari Swapnil Shinde

REGISTERED OFFICE

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

WORKS:

Unit 1

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

Unit 2

Sy. No. 300, Malkapur Village, Choutuppal Mandal,
Nalgonda District - 508252(TS) (INDIA)

CORPORATE IDENTITY NUMBER: L24110TG1986PLC006885

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

Vivek Surana & Associates
Practicing Company Secretaries
Hyderabad

BANKERS

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

AUDIT COMMITTEE:

1. Mr. K. PradyumnaTeja - 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. PradyumnaTeja - Member
3. Dr. B. Gopal Reddy - Member

STAKEHOLDER RELATIONSHIP COMMITTEE:

1. Mr. J.R.K. PanduRanga Rao - Chairman
2. Mr. K. PradyumnaTeja - Member
3. Dr. B. Gopal Reddy - Member

INDEPENDENT DIRECTORS COMMITTEE:

1. Mr. T Seshagiri - Chairman
2. Ms. T. Uma Sangeetha - Member
3. Mr. K. PradyumnaTeja - Member
4. Mr. J. R. K. Panduranga Rao - Member
5. Dr. B. Gopal Reddy - Member

RISK MANAGEMENT COMMITTEE:

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

REGISTRAR & SHARE TRANSFER AGENTS

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

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

ISIN : INE749B01012

WEBSITE : www.ortinlabsindia.com

INVESTOR E-MAIL ID : info@ortinlabsindia.com

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of Ortin Laboratories Limited will be held on Monday, 30th day of September, 2019 at 11:30 A.M. at the Registered Office of the Company at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad- 500027, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. S. Srinivasa Kumar (DIN:02010272) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. S. Balaji Venkateswarlu (DIN:02010148) who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

4. APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-2020:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is here by accorded for appointment of M/s. KJU & Associates (Registration No.000474), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2020 on a remuneration of Rs. 50,000/-(Rupees fifty thousand only) plus out of pocket expenses and applicable taxes.”

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

5. REAPPOINTMENT OF MR. G. VENKATA RAMANA (DIN: 00031873) AS JOINT MANAGING DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association

of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. G. Venkata Ramana (DIN: 00031873) as Joint Managing Director of the Company for a period of three years with effect from 01.11.2019 to 31.10.2022 at a remuneration upto Rs. 2,50,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

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

“RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

6. REAPPOINTMENT OF MR. B. SATYANARAYANA RAJU (DIN: 02697880) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. B. Satyanarayana Raju (DIN: 02697880) Whole-time Director cum CFO of the Company for a period of three years w.e.f. 01.04.2019 to 31.03.2022 at a remuneration upto Rs. 1,75,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. B. Satyanarayana Raju (DIN: 02697880), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

7. REAPPOINTMENT OF MRS. T. UMA SANGEETHA (DIN: 08120320) AS INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and Schedule IV and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force, Articles of Association of the Company, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mrs. T. Uma Sangeetha whose current period of office expired on 26th April, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 27th April 2019 to 26th April, 2024.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

8. CONTINUATION OF MR. J. R. K. PANDURANGA RAO (DIN: 00294746) AS AN INDEPENDENT DIRECTOR:

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

“RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded to continue the term of Mr. J.R.K. Panduranga Rao, who has exceeded the age of 75 years and who was re-appointed as Independent Non-Executive Director by passing special resolution in the AGM held on 29.09.2018 to hold office for five consecutive years from 01.04.2019 to 31.03.2024 and his appointment as independent director w.e.f. 30.09.2018 pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 is hereby ratified.’

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

9. CONTINUATION OF MR. B. SATYANARAYANA RAJU (DIN: 02697880) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for continuation of holding of office by Mr. B. Satyanarayana Raju Whole-Time Director cum CFO who will be attaining the age of 70 (Seventy) years on 29th May, 2020 upto the expiry of his present term of office, on the existing terms and conditions.”

"RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

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

Sd/-

Place : Hyderabad
Date : 14.08.2019

S. Murali Krishna Murthy
Managing Director
DIN: 00540632

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 21.09.2019 to 30.09.2019 (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. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend, if any. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. 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 Fintech Private Limited.)

10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
11. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Karvy Fintech Private Limited, Share Transfer Agents of the Company for their doing the needful.
12. 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.
13. 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.
14. 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.
15. Electronic copy of the Annual Report for 2018-2019 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 2018-2019 is being sent in the permitted mode.
16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website www.ortinlabsindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@ortinlabsindia.com
17. **Voting through Electronic Means (E-Voting Facility)**

Pursuant to the provisions of Section 108 of the Act read with the rules thereunder and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its

members in respect of the businesses to be transacted at the 32nd Annual General Meeting scheduled to be held on Monday 30th day of September, 2019 at 11:30 a.m. at D.No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana.

The Company has engaged the services of M/s. Karvy Fintech Private Limited (“Karvy”) as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN
	Existing ID	Existing Password

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

Commencement of e-voting: **From 27.09.2019 at 9.00 a.m.**

End of e-voting: **Up to 29.09.2019 at 5.00 p.m.**

The cut-off date (i.e. the record date) for the purpose of e-voting is 20.09.2019.

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

This communication forms an integral part of the Notice dated 14.08.2019 for the AGM scheduled to be held on 30.09.2019 at 11:30 A.M. which is enclosed herewith and is also made available on the website of the Company (www.ortinlabsindia.com)

Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 32nd Annual General Meeting of the Company dated 14.08.2019.

Procedure and instructions for e-voting

- A. Members who received the Notice through e-mail from Karvy:
 - i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
 - ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:

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

- iii. After entering these details appropriately, click on “LOGIN”.
 - iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. After changing password, you need to login again with the new credentials.
 - vi. On successful login, the system will prompt to select the “Event” i.e. Ortin Laboratories Limited.
 - vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under “FOR/AGAINST/ABSTAIN” against the resolution or alternatively you may partially enter any number in “FOR” , partially in “AGAINST” and partially in “ABSTAIN” but the total number in “FOR/AGAINST/ABSTAIN” taken together should not exceed your total shareholding.
 - viii. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
 - ix. Corporate/Institutional Members (corporate /FIs /Flls/Trust/Mutual Funds/Company, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: viveksurana24@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name Event No.”.
- B. In case of Members receiving the Notice by post:
1. Please use the User ID and initial password as provided above.
 2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.
- C. The e- voting period commences on 27.09.2019 at 09.00 A.M and ends on 29.09.2019 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.
- D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- E. M/s Vivek Surana & Associates, Practicing Company Secretaries (PCS) have been appointed as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer’s decision on the validity of e-voting shall be final.
- F. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two

witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, and submit it to the Chairman.

- G. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on 30.09.2019 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolution.
- H. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.ortinlabsindia.com) and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.
- I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 20.09.2019. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.
- K. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Phone : 040-67162222.
- I. Members who have acquired shares after the dispatch of the Notice and before the Cutoff date may obtain the user ID by approaching Mr. P. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.
19. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2019-20, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2011-12 to the IEPF within a period of thirty days of such amounts becoming due. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
20. 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 20.09.2019.
21. 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.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and

April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

23. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Companies 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

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

Sd/-

S. Murali Krishna Murthy

Managing Director

DIN: 00540632

Place : Hyderabad

Date : 14.08.2019

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO 4:

APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-2020:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. KJU & Associates (Registration No.000474), Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2020 to conduct the audit of cost records and fixed their remuneration at Rs. 50,000/- (Rupees fifty thousand only) plus out of pocket expenses and applicable taxes etc.

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

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors/ Key Managerial Personnel and their relatives of the Company is, in any way, concerned or interested, financially or otherwise in the above said Resolution.

ITEM NO 5:
REAPPOINTMENT OF MR. G. VENKATA RAMANA (DIN: 00031873) AS JOINT MANAGING DIRECTOR OF THE COMPANY:

Mr. G. Venkata Ramana (DIN: 00031873) was appointed as Joint Managing Director of the Company for a period of 1 year from 01.11.2018 to 31.10.2019 at the 31st Annual General Meeting held on 29.09.2018.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14.08.2019, approved the re-appointment of Mr. G. Venkata Ramana (DIN: 00031873) as Joint Managing Director of the Company for a term of three years commencing from 01.11.2019 to 31.10.2022 with a remuneration upto Rs. 2,50,000 p.m.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5 of the notice for reappointment of Mr. G. Venkata Ramana.

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

Information in accordance with Schedule V of Companies Act, 2013
I. GENERAL INFORMATION

- 1 Nature of Industry : Pharmaceutical Industry
- 2 Date or expected date of commencement of commercial: The Company started its commercial operations on 27.10.1986
- 3 In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- 4 Financial performance based on given indications

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
Turnover	16788.98	8107.52	6707.64
Net profit after Tax	128.00	67.92	50.32

- 5 Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details: Mr. G. Venkata Ramana is Joint Managing Director of the Company and aged about 50yrs. He is a Post Graduate in Chemistry. He has an experience of 21 Years in Pharma Industry.
2. Past Remuneration: The remuneration drawn by Mr. G. Venkata Ramana, Joint Managing Director is Rs.2,12,264 per month at present.

3. Recognition or awards : -- Nil
4. Job Profile and his suitability:
Keeping the past record of Mr. G.Venkata Ramanain mind and his contribution towards the Company, it is proposed to re-appoint him as Joint Managing Director of the Company.
5. Remuneration proposed:
As set out in the resolutions for the item No.5 the remuneration to Mr. G. Venkata Ramana, Joint Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):
Taking into consideration of the size of the Company, the profile of Mr. G. Venkata Ramana and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
Besides the remuneration, he is holding 8,18,409 Equity Shares of the Company.

III. OTHER INFORMATION

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

ITEM NO 6

REAPPOINTMENT OF MR. B. SATYANARAYANA RAJU (DIN: 02697880) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY:

Mr. B. Satyanarayana Raju (DIN: 02697880) was appointed as Whole-time Director cum CFO of the Company for a period of 1 year from 01.04.2018 to 31.03.2019 at the 31st Annual General Meeting held on 29.09.2018.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of

Directors, approved the re-appointment of Mr. B. Satyanarayana Raju (DIN: 02697880) as Whole-time Director cum CFO of the Company for a term of three years commencing from 01.04.2019 to 31.03.2022 with a remuneration upto Rs. 1,75,000 p.m.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 6 of the notice for reappointment of Mr. B. Satyanarayana Raju.

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

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

- 1 Nature of Industry : Pharmaceutical Industry
- 2 Date or expected date of commencement of commercial: The Company started its commercial operations on 27.10.1986
- 3 In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- 4 Financial performance based on given indications

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
Turnover	16788.98	8107.52	6707.64
Net profit after Tax	128.00	67.92	50.32

- 5 Foreign investments or collaborations, if any: NotApplicable

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details: Mr. B. Satyanarayana Raju Whole-time Director cum CFO of the Company and aged about 69 years. He retired from Govt. He has good experience in Administration and Finance.
2. Past Remuneration: The remuneration drawn by Mr. B. Satyanarayana Raju Whole-time Director cum CFO is Rs.1,75,000 per month at present.
3. Recognition or awards : -- NA
4. Job Profile and his suitability:

Based on the contribution made by Mr. B. Satyanarayana Raju towards the Company, it is proposed to re-appoint him as the Whole-Time Director of the Company.

5. Remuneration proposed:

As set out in the resolutions for the item No.6 the remuneration to Mr. B. Satyanarayana Raju

Whole-time Director cum CFO has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. B. Satyanarayana Raju and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration, he is holding 4,96,130 Equity Shares of the Company.

III. OTHER INFORMATION

1. Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money up front leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3. Expected increase in productivity and profit in measurable terms:

The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

ITEM NO 7

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

Mrs. T. Uma Sangeetha (DIN: 08120320) was appointed as Independent Director of the Company for a period of 1 year from 27.04.2018 to 26.04.2019 at the 31st Annual General Meeting held on 29.09.2018.

Mrs. T. Uma Sangeetha's term as an Independent Director of the company ended on 26.04.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. T. Uma Sangeetha being eligible and offering herself for re-appointment as an Independent Director for five consecutive years w.e.f. 27.04.2019 to 26.04.2024. The Company has received a notice from a member under Section 160 of the Companies Act 2013 for appointment of Mrs. T. Uma Sangeetha for the office of Director in Independent category.

In the opinion of the Board, Mrs. T. Uma Sangeetha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. T. Uma Sangeetha as an Independent Director.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 7 of the notice for appointment of Mrs. T. Uma Sangeetha.

Save and except Mrs. T. Uma Sangeetha Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

ITEM NO 8:

CONTINUATION OF CURRENT TERM OF MR. J. R. K. PANDURANGA RAO (DIN: 00294746) AS AN INDEPENDENT DIRECTOR

Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires appointment or continuance of any person as Non-Executive Director of a listed Company who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Mr. J. R. K. Panduranga Rao (DIN: 00294746), Independent Non-Executive Director of the Company has joined the Board of Directors of the Company on 30.09.2006. Pursuant to Section 149 (11) of the Companies Act, 2013, Mr. J. R. K. Panduranga Rao was re-appointed as an Independent Non-Executive Director in the Annual General Meeting held on 29.09.2018 to hold office for five consecutive years from 01.04.2019 to 31.03.2024. Though, Mr. J. R. K. Panduranga Rao can hold office under the erstwhile resolution, his continuation of appointment as Independent – Non-executive Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 since he has attained the age of 75 years and his appointment as independent director w.e.f. 30.09.2018 pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure

Requirements) (Amendment) Regulations, 2018 requires ratification from the members. Hence the approval of members is sought for the same.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 8 of the notice for continuation of Mr. J. R. K. Panduranga Rao.

Save and except Mr. J. R. K. Panduranga Rao Independent Director, none of the other Directors/ Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

ITEM NO 9:

CONTINUATION OF MR. B. SATYANARAYANA RAJU (DIN: 02697880) AS WHOLE-TIME DIRECTOR CUM CFO OF THE COMPANY

Mr. B. Satyanarayana Raju, Whole-Time Director cum CFO will be attaining the age of 70 years on 29th May 2019. The Company seeks consent of the members by way of special resolution for continuation of him as Whole-Time Director cum CFO even after attaining the age of 70 years during his tenure of Office under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 9 of the notice for continuation of Mr. B. Satyanarayana Raju.

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

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

Sd/-

S. Murali Krishna Murthy
Managing Director
DIN: 00540632

Place : Hyderabad
Date : 14.08.2019

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2019.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS STATE OF AFFAIRS

The performance of the Company during the year has been as under:

Particulars	(Rs. In Lakhs)	
	2018-2019	2017-2018
Total Revenue from operations	16788.98	8107.52
Total Expenses	16605.18	8039.48
Profit Before Tax	183.80	68.04
Less: Provision for Taxation	55.80	0.11
Profit / (Loss) After Tax	128.00	67.92
Other Comprehensive Income	(26.42)	--
Total Comprehensive Income	101.58	67.92
Earning per Equity Share- Basic & Diluted (in Rs.)	0.76 & 0.76	0.40 & 0.40

REVIEW OF OPERATIONS

Your Company has shown good results during the year under review and achieved sales and other income of Rs. 16,788.98 Lakhs and net profit of Rs.128.00 Lakhs as compared to sales and other income of Rs. 8,107.52 Lakhs and net profit of Rs. 67.92 Lakhs achieved in the previous financial year.

2. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY

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

3. RESERVES

During the year your Company has not transferred any amount to General Reserve Account.

4. DIVIDEND

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

UNPAID / UNCLAIMED DIVIDEND

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government.

During the year dividend amounting to Rs. 13,413.50/- that had not been claimed by the Shareholders for the year ended 31st March, 2011 was transferred to the credit of Investor Education and Protection Fund as required under Section 124 read with Section 125 of the Companies Act 2013.

Further the dividend amount not claimed by the Shareholders for the year ended 31st March, 2012 will be transferred to the credit of Investor Education and Protection Fund as required under Section 124 read with Section 125 of the Companies Act 2013 on 03.11.2019.

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2012 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already send reminders to all such members at their registered address in this regard. Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-Section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-Section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

5. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report (i.e. 14.08.2019)

6. BOARD MEETINGS

The Board of Directors duly met Six (6) times during the financial year from 1st April 2018 to 31st March 2019. The dates on which the meetings were held are 27.04.2018, 30.05.2018, 14.08.2018, 13.09.2018, 14.02.2019 and 31.03.2019.

7. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS/ CEO/ CFO AND KEY MANAGERIAL PERSONNEL

- Mr. M. Tippayya Independent Director of the company has resigned from the company w.e.f. 30.07.2018. The Board places on record its sincere appreciation for the valuable services rendered by him during his tenure as Director.

ORTIN LABORATORIES LIMITED

- Mrs. T. Uma Sangeetha is reappointed as Independent Director w.e.f from 27.04.2019 for period of 5 years.
- Mr. S. Srinivasa Kumar and Mr. S. Balaji Venkateswarlu are liable to retire by rotation, being eligible, offer themselves for reappointment.
- As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment / re-appointment are given as under:

Name of the Director	Mr. G. Venkata Ramana	Mr. S. Balaji Venkateswarlu
Date of Birth	18.08.1968	07.04.1963
Qualification	M.SC	S.S.C
Expertise in specific functional areas	Administration	Marketing
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-
Shareholding of non-executive directors.	-	-
No. of Shares held in the Company	8,18,409 Equity Shares of the Company	1,57,827 Equity Shares of the Company
Inter se relationship with any Director	-	Related to Mr. S. Mohan Krishna Murthy, Mr. S. Murali Krishna Murthy and Mr. S. Srinivas Kumar.

Name of the Director	Mr. S. Srinivas Kumar	Mr. B. Satyanarayana Raju	Mrs. T. Uma Sangeetha
Date of Birth	01.07.1965	25.05.1950	14.02.1989
Qualification	S.S.C	Graduate	MBA
Expertise in specific functional areas	Distribution network	Administration and Finance	Public Relations
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-	-
Shareholding of non-executive directors.	-	-	-
No. of Shares held in the Company	2,46,723 Equity Shares of the Company	4,96,130 Equity Shares of the Company	-
Inter se relationship with any Director	Related to Mr. S.Mohan Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S. Murali Krishna Murthy	-	-

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received declarations from Mr. J. R. K. Panduranga Rao, Mrs. T. Uma Sangeetha, 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.

9. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2018-19 are also disclosed on the Company's website at <https://www.ortinlabsindia.com/>

10. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached as an Annexure to the Corporate Governance Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)© and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
3. That the Directors have 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;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2011-2012 will expire on 03.11.2019 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2019 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming Dividend	Unclaimed amount as on 31.03.2019 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2011-2012	29.09.2012	28.10.2012	1,48,000	03.11.2019
2012-2013	30.09.2013	29.10.2013	52,840.75	04.11.2020

Pursuant to provisions of Section 124 of Companies Act, 2013, the unclaimed dividend within the last date mentioned for the respective years, will be transferred to Investor Education and Protection Fund (IEPF) established by Government of India pursuant to Section 125 of the Companies Act, 2013.

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

During the year under review, the Company does not have any subsidiaries, joint ventures or associate Companies.

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 is a part of this Annual Report in enclosed as Annexure-I.

15. STATUTORY AUDITORS

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

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

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

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

17. DISCLOSURE ABOUT COST AUDIT

As per Section 148 of the Companies Act, 2013 read with Rules framed there under M/s KJU &

Associates (Registration No. 000474) Cost Accountants were appointed as Cost Auditors of the Company for the financial year ending 31st March, 2019.

18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31.03.2019. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

19. QUALIFICATIONS IN AUDIT REPORTS

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

(a) Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

(b) Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2019 on the Compliances according to the provisions of Section 204 of the Companies Act 2013, and has noted that there is an observation i.e., non-appointment of internal auditor in terms of Section 138 of the Companies Act, 2013. The Board is in the process of appointing Internal Auditor.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given loans, Guarantees or made any investments during the year under review attracting the provisions of Section 186 of Companies Act, 2013.

21. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

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

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

23. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, is provided hereunder:

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Out Go

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: Rs.94,03,948/-

24. COMMITTEES

(I) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

(II) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

(III) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

(IV) RISK MANAGEMENT COMMITTEE AND POLICY

The Company has constituted a Risk Management Committee. The details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance. The Company has formulated a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place.

25. VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015, a vigil Mechanism for Directors and employees to report genuine concerns has been established. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith.

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

26. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY)

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

27. PUBLIC DEPOSITS

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

28. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS/ REGULATORS / TRIBUNALS

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

29. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. 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.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

30. INSURANCE

The properties and assets of your Company are adequately insured.

31. CREDIT & GUARANTEE FACILITIES

The Company has availed Working Capital facilities and Term Loan from Karnataka Bank.

32. SHARE CAPITAL

The authorised share capital of the Company stands at Rs. 20,00,00,000/-.

The paid up share capital of the Company stands at Rs. 16,94,04,000/- divided into 1,69,40,400 equity shares of Rs.10/- each.

33. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as Annexure III for information of the Members. A requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

34. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation appended as Annexure IV for information of the Members.

35. POLICIES

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (<https://www.ortinlabsindia.com/investors/policies>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At Ortin Laboratories Limited, 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.	https://www.ortinlabsindia.com/investors/Policies/board-diversity-policy.pdf

Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	https://www.ortinlabsindia.com/investors/Policies/Nomination & Remuneration Policy.pdf
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	https://www.ortinlabsindia.com/investors/Policies/Material subsidiaries.pdf
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https://www.ortinlabsindia.com/investors/Policies/RelatedParty transaction policy.pdf

36. ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

37. STATUTORY COMPLIANCE

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

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.

Constitution of Committee:

Name	Designation
Sujata	Presiding Officer
G. Padma	Member
T. Srinivas Rao	Member
DasaripallaJoji	External Member

All employees are covered under this policy. During the year 2018-2019, there were no complaints received by the Committee.

39. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure V to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as Annexure VI

During the year NONE of the employees is drawing a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

40. RATIO OF REMUNERATION TO EACH DIRECTOR

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (Mr .S. Murali Krishna Murthy), Joint Managing Director (Mr .G. Venkata Ramana), Whole-Time Directors (S. Mohan Krishna Murthy, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) of the Company to the median remuneration of the employees is 2.12, 8.32, 1.12, 2.12 and 6.47 times respectively.

41. 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, as well as the consequences of violation. 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 (<https://www.ortinlabsindia.com/investors/insider-trading-policy.pdf>)

42. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

43. EVENT BASED DISCLOSURES

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

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

DE-MERGER

The Company has received No Objection letter for the Scheme of Arrangement from BSE and NSE on 20.06.2019 and accordingly the company initiated the process towards completion of the process of De-merger including making an application to Hon'ble NCLT, Hyderabad.

44. CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-2019 is annexed in this Annual Report.

45. ACKNOWLEDGMENTS

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 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 : 14.08.2019

S. Murali Krishna Murthy
Managing Director
(DIN: 00540632)

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

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19

The shareholders,

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 2018-2019 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 2018-2019.

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

S. Murali Krishna Murthy
Managing Director
(DIN: 00540632)

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

Place: Hyderabad
Date : 14.08.2019

MGT 9
Extract of Annual Return
As on the Financial Year 31.03.2019

[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 Limited
iv. Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v. Address of the Registered office and contact details	D.No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana
vi. Whether listed company Yes/No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Finetech 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	21.58
	2-(ChloroMethoxy)3, 4-Dimethoxy Pyridine Hydro Chloride	2100	19.59
	(s)-5-chloro-alfa (cyclo Propyl ethnyl)-2-(4-methoxy phenyl)methyl)amino)-a-(trifluoro methyl) benzene methanol	2100	11.38

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

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	
A. Promoters									
(1) Indian									
Individual/ HUF	6038348	--	6038348	35.64	5901366	--	5901366	34.84	(0.8)
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	6038348	--	6038348	35.64	5901366	--	5901366	34.84	(0.8)
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	6038348	--	6038348	35.64	5901366	--	5901366	34.84	(0.8)

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	4967	--	4967	0.03	-	-	-	-	(0.03)
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.									
i) Indian	760409	1800	762209	4.50	416998	1800	418798	2.47	(2.03)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	3834004	151044	3985048	23.52	4685952	145274	4831226	28.52	5.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	5737432	37800	5775232	34.09	5509458	37800	5547258	32.75	(1.34)
c) NBFC registered with RBI	177907	--	177907	1.05	22599	-	22599	0.13	(0.92)
1. NRI	176039	--	176039	1.04	204791	-	204791	1.21	0.17
2. Clearing Members	20650	--	20650	0.12	14362	-	14362	0.08	(0.04)
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	10711408	190644	10902052	64.36	10854160	184874	11039034	65.16	(0.8)

C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	16745256	195144	16940400	100	16755526	184874	16940400	100	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		Total No. of shares	% of Total Shares of the company	% of shares encumbered to total shares	Total No. of shares	% of Total Shares of the company	% of shares encumbered to total shares	
1.	Venkata Rama Gaddam	826168	4.88	--	818409	4.83	--	(0.03)
2.	Venkata RamanaGaddam	898470	5.30	--	767247	4.53	--	0.77
3.	A Prabhakar Raju	616933	3.64	--	616933	3.64	--	--
4.	Satyanarayana Raju Bhupathiraju	496130	2.93	--	496130	2.93	--	--
5.	Alluri Maithili	323310	1.91	--	323310	1.91	--	--
6.	Alluri AnanthaLaxmi	319022	1.88	--	319022	1.88	--	--
7.	A Ranga Raju	302775	1.79	--	302775	1.79	--	--
8.	A Srinivasa Raju	392634	2.32	--	392634	2.32	--	--
9.	Sanka Venkata Ratnamma	192389	1.14	--	192389	1.14	--	--
10	Sanka Srinivas Kumar	246723	1.46	--	246723	1.46	--	--

11	Sanka Murali Krishna Murthy	143375	0.85	--	143475	0.85	--	--
12	Sanka Balaji Venkateswarlu	157827	0.93	--	157827	0.93	--	--
13	Sanka Venkata Sujatha	122800	0.72	--	122800	0.72	--	--
14	Sanka Sarath Kumar	120200	0.71	--	120200	0.71	--	--
15	Sanka Hema Kumari	97700	0.58	--	110200	0.65	--	0.07
16	Sanka Venkata Subbamma	101250	0.60	--	101250	0.60	--	--
17	Lakshmi Sravani Dasari .	87500	0.52	--	87500	0.52	--	--
18	Sanka Naga Jyothi .	90290	0.53	--	90290	0.53	--	--
19	Sanka Satya Praveen Kumar	79316	0.47	--	79316	0.47	--	--
20	Sanka Mohan Krishna Murthy	35816	0.21	--	35816	0.21	--	--
21	Sanka Tandav Krishna	85650	0.51	--	90650	0.54	--	0.03
22	Krishna Karthik Sanka .	60000	0.35	--	60000	0.35	--	--
23	Sanka Ravi Sankar	85000	0.50	--	85000	0.50	--	--
24	Gaddam Srinivasa Rao	69680	0.41	--	69680	0.41	--	--
25	Gaddam Balaji	48180	0.28	--	32680	0.19	--	(0.09)
26	Sanka Rajeshwari	39110	0.23	--	39110	0.23	--	--

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

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

Sl. No	Shareholder Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of The company				No. of Shares	% of total shares of the company
1	RAJESH PODDAR	794724	4.69	--	--	--	794724	4.69
2	V VARAPRASADA RAO	212853	1.26	--	--	--	212853	1.26
3	SUGGULA SRINIVASA RAO	204000	1.20	--	--	--	204000	1.20

4	DASARI BHUVANESWARI	169000	1.00	--	--	--	169000	1.00
5	SHILPI DEWAN	160000	0.94	--	--	--	160000	0.94
6	SRINIDHI INFIN LIMITED	156107	0.92	--	--	--	--	--
				21/12/2018	Sale	-156107	--	(0.92)
7	GAMINI SOMA SUBBA LAKSHMI	150394	0.89	--	--	--	150394	0.89
8.	BIBHAS BHAGWANDAS ASAR	150000	0.89	--	--	--	150000	0.89
9	CHAKKA MADHUSUDHAN A GUPTA	149072	0.88	--	--	--	149072	0.88
10	DASARI VENKATA PADMA SUJATHA	144000	0.85	--	--	--	144000	0.85

(v) Shareholding of Directors and Key Managerial Personnel:

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

2.	Mr. G. Venkata Ramana				
	At the beginning of the year	898470	5.30	898470	5.30
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	Market sale		80,061	0.47
	At the End of the year			818409	4.83
3.	Mr. S. Mohan Krishna Murthy				
	At the beginning of the year	35816	0.21	35816	0.21
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year			35816	0.21
4.	Mr. S. Balaji Venkateswarlu				
	At the beginning of the year	157827	0.93	157827	0.93
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	--	--	157827	0.93
5.	Mr. S. Srinivas Kumar				
	At the beginning of the year	246723	1.46	246723	1.46
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	--	--	246723	1.46

6.	Mr. Bh. Satyanarayana Raju				
	At the beginning of the year	496130	2.93	496130	2.93
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year			496130	2.93
7.	Ms. LaxmiSravaniDasari				
	At the beginning of the year	87500	0.52	87500	0.52
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	87500	0.52	87500	0.52
8.	Mr.J. R. K. Panduranga Rao				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	-	-	-	-
9.	Mr. K. PradyumnaTeja				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	-	-	-	-
11.	Mr. T Seshagiri				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in	--	--	--	--

	Shareholding during the year specifying the reasons for increase / decrease				
	At the End of the year	-	-	-	-
12.	Mr. B. Gopal Reddy				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	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
Principal Amount				
ii) Interest due but not paid	16,03,04,904	3,68,91,000	-	19,71,95,904
iii) Interest accrued but not due				
Total (i+ii+iii)	16,03,04,904	3,68,91,000	-	19,71,95,904
Change in Indebtedness during the financial year				
Addition	40,56,084	76,52,251		40,65,084
Reduction				-76,52,251
Net Change	40,56,084	76,52,251		-35,87,167
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	16,43,60,988	2,92,39,749		19,36,08,737
iii) Interest accrued but not due				
Total (i+ii+iii)	16,43,60,988	2,92,39,749		19,36,08,737

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>				
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:		Total Amount in Lakhs
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. S. Murali Krishna Murthy	5.40	5.40
		Mr. S. Mohan Krishna Murthy	2.85	2.85
		Mr. S. Balaji Venkateswarulu		
		Mr. S. Srinivas Kumar	5.40	5.40
		Mr. G. VenkataRamana	21.23	21.23
		Mr. Bh. Satyanarayana Raju	16.50	16.50
	(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	NIL	NIL	NIL
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total (A)	--	51.38	51.38
	Ceiling as per the act	Within the ceiling limits	--	--

B. Remuneration to other directors:								
Sl. no.	Particulars of Remuneration	J.R.K Panduranga Rao	M. Tippayya	Pradyumna Teja	T. Seshagiri	Uma Sang eeta	B. Gopal Reddy	Total Amount (Rs. In Lakhs)
1	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	0.06	0.02	0.05	0.05	0.05	0.05	0.28
	Total (1)	0.06	0.02	0.05	0.05	0.05	0.05	0.28
2.	Other Non-Executive Directors Fee for attending board / committee meetings commission · Others, please specify	--	--	--	--		--	
	Total (2)	--	--	--	--		--	
	Total (B)=(1+2)	0.06	0.02	0.05	0.05	0.05	0.05	0.28
	Total Managerial Remuneration (A+B)	--						51.66
	Overall Ceiling as per the Act	--	--	--	--		--	
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD								
Sl. no.	Particulars of Remuneration	Key Managerial Personnel						
		CEO	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/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	Mrs. SharvariSwapnilShinde (Rs.1,80,000/-)	--	1.80			
2.	Stock Option		-	-	-			
3.	Sweat Equity		-	-	-			
4.	Commission - as % of profit - others, specify...		-	-	-			
5.	Others, please Specify	-	-	-	-			
6.	Total	-	1,80,000	--	1.80			

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)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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 of Managerial Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
The Members
Ortin Laboratories Limited

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

Based on our verification of the Company's Books, Papers, Minutes 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 1st April, 2018 and ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2018-19:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures, wherever applicable.
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; The Company has framed code of conduct for

regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. <https://www.ortinlabsindia.com>

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable as the company has not issued any shares during the year under review.
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; Not Applicable as the Company has not issued any debt securities during the year under review.
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KarvyFintech Private Limited as its Share Transfer Agent.
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
- ix. Other applicable laws include the following:
 - a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
 - b. Drugs and Cosmetics Rules, 1945
 - c. Pharmacy Act, 1948
 - d. Narcotic Drugs and Psychotropic Substances Act, 1985
 - e. Patents Act, 1970
 - f. Essential Commodities Act, 1995
 - g. National Pharmaceutical Policy, 2012
 - h. Labour Laws (wages, bonus, provident fund, gratuity etc)
 - i. Environment Protection Act, 1986
 - j. The Payment of Gratuity Act, 1972
 - k. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - l. Employees State Insurance Act, 1948

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

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

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
 - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
 - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Mr. B Satyanarayana Raju and a Company Secretary, Ms. Sharvari Swapnil Shinde.
- The Company has not appointed internal auditor during the year.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items 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.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
- We further report that during the year under report, the Company has filled Draft Scheme of Arrangement to BSE Limited and National Stock Exchange of India Limited pursuant to Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements), 2015 for seeking observation letter or No-objection letter from stock exchanges.

For **Vivek Surana & Associates**

Place: Hyderabad
Date: 14.08.2019

Vivek Surana
Proprietor
M. No. A24531, C.P. No: 12901

Annexure A

To
The Members of
Ortin Laboratories Limited

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

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

For Vivek Surana & Associates

Place: Hyderabad
Date: 14.08.2019

Vivek Surana
Proprietor
M. No. A24531, C.P. No: 12901

AOC-2

Particulars of contracts / arrangements made with related parties
[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013,
and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the 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 arm's length transactions under third proviso thereto.

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

There are no contracts or arrangements or transactions not at arm's length basis.

- (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
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) 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:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount of Unsecured Loan:

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

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

Sl.No.	Particulars	Details
1.	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	The ratio of remuneration of Managing Director (S. Murali Krishna Murthy), Joint Managing Director (G. Venkata Ramana), Wholetime Directors (S. Mohan Krishna Murthy, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) to the median remuneration of employees is 2.12:1, 8.32:1, 1.12:1, 2.12:1 and 6.47:1 respectively.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	7.17% (G. Venkata Ramana) and 10% (B. Satyanarayana Raju)
3.	The percentage increase in the median remuneration of employees in the financial year	10.12%
4.	The number of employees on the rolls of the company	99
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees is 10.12% and is in line with the average percentile increase in managerial remuneration
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

ANNEXURE-VI

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	G. Venkata Ramana	Joint Managing Director	2122647	Regula	M.SC	30.09.10	50	--	4.83	--
2	Bh. Satyanarayana Raju	Whole-time Director cum CFO	1650000	Regula	Graduate	30.09.10	69	--	2.93	--
3	K.Murali Mohan	General Manger	1273587	Regular	Post Graduate	21.07.07	43	--	--	--
4	V. Vara Prasada Rao	Production Manager	1273587	Regular	Graduate	23.07.07	47	--	1.26	--
5	P.V. Rama Krishna	Manager -QA	1024527	Regular	M.Sc	01.04.15	44	--	--	--
6	P. Anjaneya Raju	Manager -QC	850188	Regular	M.Sc.	10.07.15	40	--	--	--
7	Ch. Subrahmanyam	Manger-QA	739625.6	Regular	M.sc.	25.04.18	56	-	-	--
8	B.V Rama Krishna	Manager	738681	Regular	M.com	01.04.10	54	-	-	--
9	A. Prabhakara Raju	Dy. Manager	687268	Regular	SSLC	01.07.17	47	--	3.64	--
10	A.Srinivasa Raju	Dy. Manager	687268	Regular	SSLC	01.07.17	42	--	2.32	--

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:

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.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2019. The Report is updated as on the date of the report wherever applicable.

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.

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.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Managing Director. As on date of this report, the Board of Directors of the Company has 11 members (including five Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

S. No	Name of the Director	Category	Number of Directorships in other Listed Companies		Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Name	No. of companies	Member	Chairman	Last AGM 29.09.2018	Board meetings '18-19'	
								Held	Attended
1	Mr. S. Murali Krishna Murthy	Managing Director	-	-	-	-	Yes	6	6
2	Mr. G. Venkata Ramana	Joint Managing Director	-	-	-	-	Yes	6	6
3	Mr S. Mohan Krishna Murthy	Whole-Time Director	-	-	-	-	Yes	6	6
4	MrS. Balaji Venkateswarlu	Non Executive & Non Independent Director	-	-	-	-	Yes	6	6
5	Mr S. Srinivaskumar	Whole-Time Director	-	-	-	-	Yes	6	6

S. No	Name of the Director	Category	Number of Directorships in other Listed Companies		Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Name	No. of companies	Member	Chairman	Last AGM 29.09.2018	Board meetings '18-19'	
							Held	Attended	
6	Mr B. Satyanarayana Raju	Whole-Time Director Cum CFO	-	-	-	-	Yes	6	6
7	Mr J. R. K. Panduranga Rao	Chairman, Non Executive & independent Director	-	-	-	-	Yes	6	6
8	Mr K. Pradyumna Teja	Non Executive & Independent Director	-	-	-	-	Yes	6	6
9	Mr T Seshagiri	Non Executive & Independent Director	-	-	-	-	Yes	6	6
10	Dr B. Gopal Reddy	Non Executive & Independent Director	-	-	-	-	Yes	6	6
11	Mrs T. Uma Sangeetha	Non Executive & Independent Director	-	-	-	-	Yes	6	6
12.	Mr. M. Tippayya	Non Executive & Independent Director	-	-	-	-	No	2	2

B. DETAILS OF SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Company is managed and controlled through a body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors. As on date of this report, the Board of Directors of the Company has 11 members (including five Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

S.No	Names of the Director	Existing Skills/Expertise/Competence
1	Mr. S. Murali Krishna Murthy	Management
2	Mr. G. Venkata Ramana	Administration
3	Mr S. Mohan Krishna Murthy	Accounts&finance
4	Mr S. Balaji Venkateswarlu	Marketing
5	Mr S. Srinivas kumar	Distribution net work
6	Mr B. Satyanarayana Raju	Administration & Finance
7	Mr J. R. K. Panduranga Rao	Technical advisor
8	Mr K. Pradyumna Teja	Financial adviser
9	Mr T. Seshagiri	Technical adviser
10	Dr B. Gopal Reddy	Technical adviser
11	Mrs T. Uma Sangeetha	Public Relations

C. MEETINGS DURING THE YEAR

During the year, the Board of Directors duly met 6 (Six) times on 27.04.2018,30.05.2018, 14.08.2018, 13.11.2018,14.02.2019 and 31.03.2019 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. INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting,

encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S. Balaji Venkateswarlu, Non-Executive Director of the Company holds 1,57,827 Equity Shares in the company.

F. INDEPENDENT DIRECTORS

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

G. 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 14.02.2019, 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 as on date of meeting 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.

H. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2018-19 are also disclosed on the Company's website.

2. AUDIT COMMITTEE: (Audit Committee constituted in terms of sec. 177 of Companies Act, 2013 read with reg. 18 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - 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 30.05.2018, 14.08.2018, 13.11.2018 and 14.02.2019.

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
Mr. K. Pradyumna Teja	Chairman	Independent, Non-Executive	4	4
Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	4	4
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	4	4

C. Previous Annual General Meeting of the Company was held on 29th September 2018 and Mr.K. Pradyumna Teja, Chairman of the Audit Committee for that period, attended previous AGM.

3. NOMINATION AND REMUNERATION COMMITTEE: (Committee constituted in terms of sec. 178 of Companies Act, 2013 read with reg. 19 of SEBI (LODR) Regulations, 2015)

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

There was one Nomination and Remuneration Committee Meetings held during the financial year on 14.02.2019.

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
Mr. T. Seshagiri	Chairman	Independent, Non-Executive	1	1
Mr. Pradyumna Teja	Member	Independent, Non-Executive	1	1
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	1	1

C. REMUNERATION POLICY

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

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

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope

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

2. Terms and References

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

2.2 **“Nomination and Remuneration Committee”** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, 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 Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
 - shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
 - shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as 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, 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.

Remuneration policy for Directors, key managerial personnel and other employees

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

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

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 Financial 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.

D. MECHANISM FOR EVALUATION OF THE BOARD

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

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

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

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

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

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

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

E. REMUNERATION TO DIRECTORS

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;
- (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
 - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
 - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
 - (iii) service contracts, notice period, severance fees;
 - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

Name of the Director	Remuneration Rs in Lakhs	Sitting fees Rs in Lakhs	Number of shares held
S. Murali Krishna Murthy	5.40	--	143475
G. Venkata Ramana	21.23	--	818409
S. Mohan Krishna Murthy	2.85	--	35816
S. Balaji Venkateswarlu	--	--	157827
S. Srinivas Kumar	5.40	--	246723
B. Satyanarayana Raju	16.50	--	496130
J. R. K. Panduranga Rao	--	0.06	--
K. PradyumnaTeja	--	0.05	--
T. Seshagiri	--	0.05	--
B. Gopal Reddy	--	0.05	--
T. Uma Sangeetha	--	0.05	--
M. Tippayya (resigned on 30.07.2018)	--	0.02	--

4. STAKEHOLDER’S RELATIONSHIP COMMITTEE: (Committee constituted in terms of Sec. 178 of Companies Act, 2013 read with reg. 20 of SEBI (LODR) Regulations, 2015)

During the year April 2018 to March 2019, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 30.05.2018, 14.08.2018, 13.11.2018 and 14.02.2019.

A. COMPOSITION AND ATTENDANCE FOR MEETINGS

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
Mr. J.R.K. Pandu Ranga Rao	Chairperson	Independent, Non-Executive	4	4
Mr. Pradyumna Teja	Member	Independent, Non-Executive	4	4
Mr. B. Gopal Reddy	Member	Independent, Non-Executive	3	3
M. Tippayya (resigned on 30.07.2018)	Member	Independent, Non-Executive	1	1

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mrs. Sharvari S Shinde, Company Secretary of the Company is the compliance officer of the Company.

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2018-2019

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2019
Pending at the beginning of the year	Nil
Received during the year	-
Disposed of during the year	-
Remaining unresolved at the end of the year	Nil

Mrs. Sharvari S Shinde, Company Secretary & Compliance officer, is the Secretary of all Board Committees.

5. RISK MANAGEMENT COMMITTEE: - (Committee constituted in terms of Reg. 21 of SEBI (LODR) Regulations, 2015)

A. ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING

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

B. COMPOSITION

The composition of the Risk Management Committee as under:

Name	Designation	Category
Dr. B. Gopal Reddy	Chairperson	Independent, Non-Executive
Mr. K. Pradyumna Teja	Member	Independent, Non-Executive
Mr. S. Mohan Krishna Murthy	Member	Executive Director

No meeting held during the year 2018-2019.

6. DETAILS ON GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2015-2016	30.09.2016	11.00 A.M.	D.No.1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Domalguda, Hyderabad- 500029, Telangana	Yes
2016-2017	29.09.2017	11.00 A.M.	D.No. 1-2-593/29, Ground Floor, Street No. 4, Gagan Mahal Colony, Domalguda, Hyderabad- 500029, Telangana	Yes
2017-2018	29.09.2018	11.30 A.M	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad- 500027, Telangana	Yes

There were no resolutions passed by the Company through Postal Ballot during the financial year 2018-19.

7. DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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 adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI Regulations 2015 and in terms of Section 177 of the Companies Act, 2013

With a view to adopt the highest ethical standards in the course of business, the Company has a

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

D. CODE OF CONDUCT

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

E. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2018-2019

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2019 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

F. CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements for the year 2018-2019 is provided elsewhere in this Annual Report.

G. 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:

The Company has a Non-Executive Chairman and the Board is having required number of Independent directors.

The financial Statements are free from any Audit Qualifications.

H. RECONCILIATION OF SHARE CAPITAL

A qualified practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

I. 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 133 of the Companies Act, 2013.

J. 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 during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

8. MEANS OF COMMUNICATION

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty five days/sixty days of the close of the respective period.
- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, The Financial Express and Nava Telangana within forty-eight hours of approval thereof.
- iii. As the Company’s quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.
- iv. These financial statements, press releases are also posted on the Company’s website www.ortinlabsindia.com

9. A. General Shareholders Information

• Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110TG1986PLC006885.
• Day & Date	Monday 30th September, 2019
• Time	11.30 A.M

• Venue of AGM	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana	
• Financial Calendar	1st April to 31st March.	
• Tentative Schedule for considering Financial Results:		
For the Quarter ending June,2019	14.08.2019	
For the Quarter ending September, 2019	October/ November, 2019	
For the Quarter ending December, 2019	January/ February, 2020	
For the Quarter/year ending March, 2020	April/ May, 2020	
• Date of Book Closure	21.09.2019 to 30.09.2019	
• Dividend Payment date	–	
• Listing on Stock Exchanges	BSE Limited	NSE Limited
Scrip Code	539287	ORTIN LABSS
• ISIN Number for NSDL & CDSL	INE749B01012	
• Payment of annual listing fees to stock exchanges	Paid to BSE & NSE, where the shares of the Company are listed	
• Address for correspondence:	To be addressed to: M/s Karvy Fintech Pvt Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153.	
• Investor Correspondence / Query on Annual Report, etc.	S. Sharvari Shinde Company Secretary & Compliance officer Ortin Laboratories Limited, D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana	
• Registrars & Transfer Agents	M/s Karvy Fintech Pvt Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153	
• Total fees for all services paid by the listed entity to the statutory auditor.	Rs.2,00,000	
• The company is compliance with Corporate Governance requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub- Regulation (2) of Regulation 46.		

B. Share Transfer System

The Company's Shares are traded on BSE Limited & NSE compulsorily in the dematerialized form. Transfer of these shares is done through depositories with no involvement of the Company. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrars and Transfer Agents. The Share Transfers are registered and returned within a period of 15 days from the date of lodgement, if documents are complete in all respect.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. Karvy Fintech Private Limited, Hyderabad, who is registrar to the Company. The share transfer requests are processed by them and a transfer register is sent to the Company for approval once in a fortnight. There were no share transfers pending as on 31st March 2019.

Outstanding GCRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact of equity:

We have no GDRs/ADRs or any commercial instrument.

C. STOCK MARKET PRICE DATA

MONTH	BSE		NSE	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April 2018	19.50	16.75	17.75	16.60
May 2018	17.20	14.50	17.30	14.10
June 2018	20.00	13.25	19.75	13.20
July 2018	17.95	14.30	17.85	14.40
August 2018	23.50	15.15	23.25	15.20
September 2018	22.90	17.00	22.50	16.20
October 2018	18.40	15.00	18.50	15.20
November 2018	20.00	16.00	19.70	15.40
December 2018	16.95	15.15	16.70	15.05
January 2019	16.40	13.70	16.05	13.60
February 2019	14.90	12.00	14.95	11.70
March 2019	16.90	12.99	16.85	12.25

D. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	59,01,366	34.84	--	--
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	59,01,366	34.84	--	--
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)	--	--	--	--
	Total Shareholding of Promoter and Promoter Group	59,01,366	34.84	--	--
	(A)=(A)(1)+(A)(2)	59,01,366	34.84	--	--
(B)	Public Shareholding			--	--
(1)	Institutions	--	--	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	--	--	--	--
c.	Central Government/State Government(s)	--	--	--	--
d.	Venture Capital Funds	--	--	--	--

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
e.	Insurance Companies	--	--	--	--
f.	Foreign Institutional Investors	--	--	--	--
g.	Foreign Venture Capital Investors	--	--	--	--
h.	Foreign Companies	--	--	--	--
	Sub Total (B)(1)	--	--	--	--
(2)	Non-Institutions			--	--
a.	Bodies Corporate	4,18,798	2.47	--	--
b.	Individuals			--	--
	i) Individual shareholders holding nominal share capital upto Rs.2 lakh	55,19,150	32.58	--	--
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	48,59,334	28.68	--	--
c.	Any Others :-			--	--
	i) Non Resident Individuals	2,04,791	1.21	--	--
	ii) Overseas Corporate Bodies	--	--	--	--
	iii) Trusts	--	--	--	--
	iv) Employees	--	--	--	--
	v) Clearing Members	14,362	0.08	--	--
	vi) Foreign Nationals	--	--	--	--
	vii) NBFCs registered with RBI	22,599	0.13	--	--
	Sub Total (B)(2)	1,10,39,034	65.16	--	--
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,10,39,034	65.16	--	--
	Total (A)+(B)	1,69,40,400	100	--	--
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	Grand Total (A)+(B)+(C)	1,69,40,400	100	--	--

E. Distribution of Shareholding as on 31.03.2019

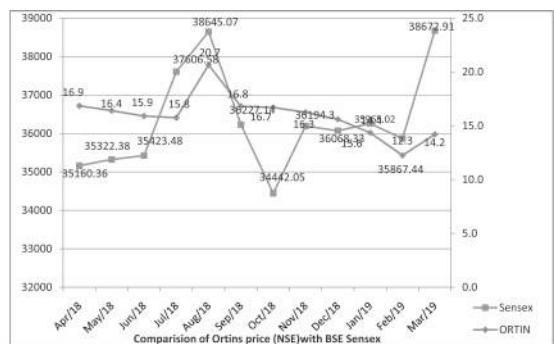
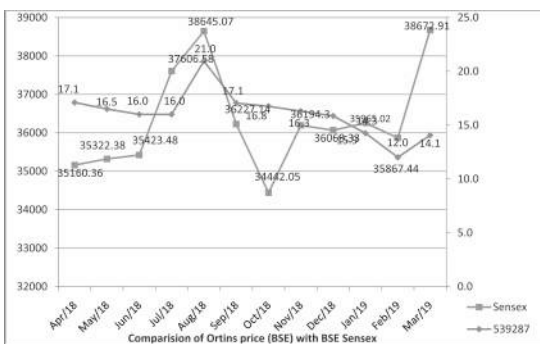
No. of equity Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	4048	63.89	8026280	4.74
5001 to 10000	1040	16.41	9215080	5.44
10001 to 20000	539	8.51	8740900	5.16
20001 to 30000	220	3.47	5744480	3.39
30001 to 40000	100	1.58	3694330	2.18
40001 to 50000	99	1.56	4777830	2.82
50001 to 100000	140	2.21	10258720	6.06
100001 and above	150	2.37	118946380	70.21
Grand Total	6336	100	169404000	100

F. 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	1,17,96,400	69.63
CDSL	49,59,126	29.28
Physical	1,84,874	1.09
Total	1,69,40,400	100.00

G. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES WITH BSE SENSEX



H. DEPOSITORY SERVICES

For guidance on Depository services, shareholders may write to the Company or to the respective Depositories:

<p>National Securities Depository Ltd, Trade World, 4th Floor, Kamala Mills Compound, SenapatiBapatMarg, Lower Patel, Mumbai - 400 013. Tel: 022-24994200 Fax: 022-24972993/24976351 Email: info@nsdl.co.in</p>	<p>Central Depository Services (I) Ltd. PhirozeJeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai– 400 023. Tel: 022-22723333, 022-22723224 Fax: 022-22723199 Email: investors@cdslindia.com</p>
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GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

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

S. Murali Krishna Murthy G. Venkata Ramana

Managing Director Joint Managing Director
(DIN: 00540632) (DIN: 00031873)

Place: Hyderabad
Date : 14.08.2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS

To the Members of Ortin Laboratories Limited

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Place: Hyderabad

Date: 14.08.2019

For Vivek Surana & Associates

Vivek Surana

Proprietor

M. No. 24531 C.P. No: 12901

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 2019 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; 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
For Ortin Laboratories Limited

Sd/-

S. Murali Krishna Murthy **B. Satyanarayana Raju**

Managing Director

Sd/-

CFO

Place: Hyderabad

Date : 14.08.2019

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Ortin Laboratories Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Ortin Laboratories Limited ("the company") for the year ended 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited and National Stock Exchange of India Limited.

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.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations

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.

Place: Hyderabad
Date: 14.08.2019

For Vivek Surana & Associates
Vivek Surana
Proprietor
M. No. 24531 C.P. No: 12901

**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 share holders 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

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

OPPORTUNITIES AND THREATS

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

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

During the year under review, the Company has recorded revenue of Rs. 16788.98 Lakhs and made a profit of Rs. 128.00 Lakhs against revenue of Rs. 8107.52 Lakhs and net profit of Rs. 67.92 Lakhs in the previous financial year 2017-18.

OUTLOOK

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

The pharmacy sector in India is highly regulated, yet the sector suffers from circulation of substandard 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.

RISKS AND CONCERNS

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the Company has recorded revenue of Rs. 16788.98 Lakhs and made a profit of Rs. 128.00 Lakhs against revenue of Rs. 8107.52 Lakhs and net profit of Rs. 67.92 Lakhs in the previous financial year 2017-18.

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

During the year under review the company has taken HR initiatives to train and develop talent pool. The company has also taken up a root cause analysis on bringing down the attrition rates. In order to

improve the performance of management and to scale up the business operations, the company has recruited experienced personnel at senior level apart from strengthening other departments with competent people.

2. DISCLOSURE OF ACCOUNTING TREATMENT

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

CAUTIONARY STATEMENTS

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

INDEPENDENT AUDITORS' REPORT

To The Members of
M/s. Ortin Laboratories Limited,
Hyderabad

Report on the IND AS Financial Statements

Opinion

1. We have audited the accompanying financial statements of Ortin Laboratories Limited (“the Company”), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, (“Ind AS”) and Other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

“We have determined that there are no key audit matters to communicate in our report.”

Management's Responsibility for the Standalone Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, including other Comprehensive Income, statement of changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
11. We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 of the Act, we give in the Annexure-A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

14. As required by Section 143(3) of the Act, based on our audit we report that

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on 31.03.2019 on its financial position in its Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts ; The Company has neither entered any derivative contract during the year under audit and nor have any outstanding derivative contract at the end of the year ;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S

(S.S. Prakash)
Proprietor
Membership No.202710

Place : Hyderabad

Date : 30-05-2019

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
 - b. As per the information and explanation given to us, the Fixed Assets of the company have been physically verified by the management according to the phased programme, which is designed to cover all the Fixed Assets, at reasonable intervals and the said programme is considered reasonable, and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) In respect of its Inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013;
- (iv) According to information given to us, the company has not given any loans, has not done any investment, not given any guarantees and provided securities which are covered u/s 185 and 186 of the companies Act, 2013. Hence this clause is not applicable.
- (v) According to the information and explanation given to us, the company has not accepted deposits within the meaning of the provisions of sections 73 to 76 of the Companies Act and the rules framed there under; therefore the provisions of this clause is not applicable to the Company;
- (vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax (GST), cess and any other statutory dues with the appropriate authorities.

- (b) According to the information and explanation given to us, there are no dues payable on account of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax Goods and Service Tax (GST), or cess pertaining to any dispute with the relevant authorities other than those mentioned in the notes to accounts.
- (viii) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank, Government or dues to debenture holders.
- (ix) According to the information and explanation to us, the company has no moneys raised by way of public offers (including debt instruments) no has the company taken any term loan.
- (x) Based on the audit procedures applied and according to the information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the year under audit.
- (xi) The Managerial Remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company.
- (xiii) According to information given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S

(S.S. Prakash)
Proprietor
Membership No.202710

Place : Hyderabad
Date : 30-05-2019

**Annexure - B to INDEPENDENT AUDITOR'S REPORT
even date on the Financial Statements of 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 **M/s ORTIN LABORATORIES LIMITED**, Limited ("the Company") as on 31 March 2019 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sathuluri & Co.,
Chartered Accountants
Firm Regn No: 006383S

(S.S. Prakash)
Proprietor
Membership No.202710

Place : Hyderabad
Date : 30-05-2019

Balance Sheet as at Year Ended 31.03.2019
(Rs.in Lakhs)

Particulars	Note No.	2019	2018
ASSETS			
Non-current assets			
Property plant and Equipment	2.1	2,128.65	2,003.40
Capital Work In progress		53.41	40.21
Financial assets			
Investments	2.2	8.40	7.85
Other financial assets	2.3	79.69	67.47
Other non current assets	2.4	34.46	11.91
		2,304.60	2,130.84
Current assets			
Inventories	2.5	3,695.70	2,401.93
Financial assets			
Trade receivables	2.6	3,783.04	2,184.89
Cash and cash equivalent	2.7	214.30	169.22
Other financial assets	2.3	33.23	31.81
Other current assets	2.4	477.75	447.66
		8,204.02	5,235.51
TOTAL		10,508.62	7,366.35
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.8	1,694.04	1,694.04
Other Equity	2.9	815.35	713.77
		2,509.39	2,407.81
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.1	181.18	148.26
Deferred tax liabilities (net)	2.11	254.97	252.92
Other non-current liabilities	2.12	292.60	369.12
Long Term Provisions	2.13	52.91	25.99
		781.66	796.30
Current liabilities			
Financial Liabilities			
Borrowings	2.1	1,473.59	1,465.95
Trade payables	2.14	4,759.65	1,658.23
Other financial liabilities	2.15	867.75	942.42
Liabilities for current tax (net)			
Provisions	2.16	74.13	38.75
Other current liabilities	2.12	42.45	56.89
		7,217.56	4,162.25
TOTAL		10,508.62	7,366.36
		0.00	0.00

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

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

Sd/-
S.S.Praakash
Proprietor
M.No. 202710
F.R.No. 006383S
Place: Hyderabad
Date : 13.05.2019

For and on behalf of Board
For ORTIN LABORATORIES LTD

Sd/-
S. MURALI KRISHNA MURTHY
Managing Director (DIN: 00540632)
Sd/-
Bh. SATYA NARAYANA RAJU
Whole-time Director cum CFO (DIN: 02697880)

Sd/-
G. VENKATA RAMANA
Joint Managing Director (DIN : 00031873)
Sd/-
Sharvari Swapnil Shinde
Company Secretary

Statement of Profit & Loss for Year Ended 31.03.2019

(Rs.in Lakhs)

Particulars	Note No.	2019	2018
Income			
Revenue from operations	2.17	16,776.19	8,062.19
Other income	2.18	12.78	45.33
Total Revenue		16,788.98	8,107.52
Expenses			
Cost of materials consumed	2.19	14,154.48	5,629.58
Changes in inventories	2.2	-672.96	129.57
Employee benefits expense	2.21	425.47	332.28
Finance costs	2.22	321.73	348.66
Depreciation and amortization expense	2.1	175.29	168.55
Other expenses	2.23	2,201.18	1,430.84
Total Expenses		16,605.18	8,039.48
Profit/(Loss) before exceptional items		183.80	68.04
Exceptional items		-	-
Profit/(Loss) before tax		183.80	68.04
Tax expense			
Current tax	50.15	38.75	
Deferred tax	2.04	-52.95	
Previous year		3.60	14.31
Net Profit for the Period		128.00	67.92
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		(26.42)	-
Tax on items that will not be reclassified to profit or loss		-	-
		(26.42)	-
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income/(loss) for the year, net of tax		(26.42)	-
Total comprehensive income for the year		101.58	67.92
Earnings per share:			
Basic earnings per share of 10/-each		0.76	0.40
Diluted earnings per share of 10/- each		0.76	0.40

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

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

Sd/-
S.S.Prasadh
Proprietor
M.No. 202710
F.R.No. 006383S
Place: Hyderabad
Date : 13.05.2019

**For and on behalf of Board
For ORTIN LABORATORIES LTD**

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Joint Managing Director (DIN : 00031873)
Sd/-
Sharvari Swapnil Shinde
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2019
(Rs.in Lakhs)

Particulars	Note No.	2019	2018
Cash Flows from Operating Activities			
Net profit before tax		183.80	68.04
Adjustments for :			
Depreciation and amortization expense		175.29	168.55
Profit on sale of assets		-	-29.34
Provision for gratuity		7.80	-
Provision for leave encashment		16.67	-
Operating profit before working capital changes		383.56	207.25
Movements in Working Capital			
(Increase)/Decrease in Trade Receivables		(1598.14)	-660.90
(Increase)/Decrease in Other financial assets		(1.42)	-5.51
(Increase)/Decrease in Inventories		(1293.77)	-636.92
(Increase)/Decrease in Other Current Assets		(30.10)	-84.14
(Increase)/Decrease in Other Non Current Assets		(22.54)	150.84
Increase/(Decrease) in Trade Payables		3,101.41	953.37
Increase/(Decrease) in Other financial liabilities		(74.67)	172.36
Increase/(Decrease) in Other Current liabilities		(14.45)	38.29
Increase/(Decrease) in Other Non Current liabilities		(76.51)	78.14
Increase/(Decrease) in Provisions		-	0.86
Changes in Working Capital		(10.19)	6.38
Cash generated from operations		373.36	213.63
Interest received on Deposits			
Direct Taxes Paid		(42.36)	-57.82
Net Cash from operating activities (A)		331.01	155.81
Cash flows from Investing Activities			
Purchase of Fixed Assets		(300.53)	-119.14
Sale of Fixed Assets		-	45.46
Changes in Capital Work in Progress		(13.20)	-5.00
Changes in Other Non Current Financial assets		(12.22)	-10.22
Purchase/Sale of Investment		(0.55)	-0.84
Net Cash used in Investing Activities		(326.50)	-89.74
Cash flows from/(used in) Financing Activities			
Proceeds from Long term borrowings		32.92	6.67
Repayment/(Proceeds) of/from Short-term borrowings		-	-
Net Cash used in Financing Activities		32.92	6.67
Net Increase/(Decrease) in cash and cash equivalents		37.43	72.74
Cash and Cash equivalents at the beginning of the year		(1296.72)	(1369.46)
Cash and Cash equivalents at the ending of the year (Refer Note 2.7)		(1259.29)	(1296.72)

Notes :- 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(IndAS-7)

2. The accompanying notes are an integral part of the financial statements.

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

As per our report of even date

For Sathuluri & Co.,
Chartered Accountants

Sd/-
S.S.Prakash
Proprietor
M.No. 202710
F.R.No. 006383S
Place: Hyderabad
Date : 13.05.2019

For and on behalf of Board
For ORTIN LABORATORIES LTD

Sd/-
S. MURALI KRISHNA MURTHY
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G. VENKATA RAMANA
Joint Managing Director (DIN : 00031873)

Sd/-
Sharvari Swapnil Shinde
Company Secretary

Notes to Financial Statements

1. Description of the Company and Significant Accounting Policies

A. General Information

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

B. Basis of preparation and presentation of Financial Statements

The financial statements of Ortin Laboratories Limited (the company) have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Basis of Measurement

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

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

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

C. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

i) Depreciation and amortization

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

ii) Employee Benefits

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

iii) Provision and contingencies

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

iv) Fair valuation

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

D. Functional and presentation currency

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

E. Current and noncurrent classification

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

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

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

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or

- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

F. Foreign Currency Transaction

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

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

Significant Accounting Policies

1) Property Plant & Equipment

Recognition and measurement

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

Directly attributable costs include:

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they

are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

Depreciation

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

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

The estimated useful lives are as follows:

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

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

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

2) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instrument at FVTPL

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

Investment in equity instruments

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

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

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

Impairment of trade receivables

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and borrowings

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

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

3) Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes

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

4) Impairment of non-financial assets

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

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

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

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

5) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend

accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

6) Employee Benefits

Short term employee benefits

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

Defined Contribution Plan

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

Defined Benefit Plans

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

Termination benefits

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

Other long-term employee benefits

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

7) Provisions, contingent liabilities and contingent assets

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

Contingent liabilities

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

Contingent assets

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

8) Revenue Recognition

Sale of goods and trade license

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative catch up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized, when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

The company receives export incentives in the form of MEIS scripts which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly government grant relating to Income is recognised on accrual basis when the relevant expense has been charged to Profit and Loss statement.

Other Income

Interest Income

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

Dividend

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

9) Borrowing Costs

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

10) Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent

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

Deferred Tax

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

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

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

11) Earnings Per Share

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

12) Trade receivables

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

13) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are

presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Determination of fair values

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

(i) Property, plant and equipment

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

(ii) Intangible assets

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

(iii) Inventories

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

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

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

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

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

(v) Derivatives

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

(vi) Non-derivative financial liabilities

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

2.1: Property, plant and equipment

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value		
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	For the year	Disposals	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	
Land	53.57	-	-	53.57	-	-	-	53.57	53.57	
Factory building	495.99	5.48	-	501.47	22.20	-	65.33	436.14	452.86	
Administrative building	-	-	-	-	-	-	-	-	-	
Plant & machinery	1,580.17	239.37	-	1,819.54	122.76	-	348.56	1,470.99	1,354.38	
Testing equipment	56.19	1.18	-	57.37	4.32	-	12.81	44.56	47.70	
Furniture & fixtures	4.97	19.60	-	24.56	2.41	-	4.89	19.68	2.49	
Electrical fittings	28.65	13.90	-	42.55	5.58	-	27.37	15.18	6.87	
Vehicles	81.55	15.59	-	97.14	13.69	-	32.05	65.09	63.19	
Other assets	17.35	3.44	-	20.79	1.79	-	4.98	15.81	14.16	
Computer	3.97	1.56	-	5.53	1.39	-	3.92	1.61	1.44	
Air conditioner	8.98	0.41	-	9.40	1.14	-	3.37	6.03	6.75	
Total	2,331.39	300.53	-	2,631.92	175.29	-	503.27	2,128.65	2,003.40	
Capital Work in progress	40.2104	0	0					53.407	40.2104	

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value		
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	For the year	Disposals	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	
Land	53.57	-	-	53.57	-	-	-	53.57	53.57	
Factory building	477.78	18.22	-	495.99	21.41	-	43.13	452.86	456.36	
Administrative building	7.84	-	7.84	-	0.18	0.18	-	-	7.66	
Plant & machinery	1,495.35	84.82	-	1,580.17	110.71	-	225.80	1,354.38	1,384.64	
Testing equipment	54.90	1.29	-	56.19	4.23	-	8.49	47.70	50.67	
Furniture & fixtures	4.97	-	-	4.97	1.42	-	2.47	2.49	3.55	
Electrical fittings	28.65	-	-	28.65	7.88	-	21.78	6.87	14.74	
Vehicles	82.29	14.62	-	81.55	10.90	6.92	18.36	63.19	71.39	
Other assets	17.35	-	-	17.35	1.53	-	3.19	14.16	15.82	
Computer	3.79	0.19	-	3.97	1.14	-	2.53	1.44	2.65	
Air conditioner	8.98	-	-	8.98	1.11	-	2.23	6.75	7.88	
Total	2,235.46	119.14	23.21	2,331.39	166.53	7.10	327.99	2,003.40	2,068.93	
Capital Work in progress	35.21	0	0					40.2104	35.2104	

2.2 Investments

Particulars	2019		2018	
	Current	Non Current	Current	Non Current
Investments at fair value through Profit or Loss A/c	-	-	-	-
In Equity Shares	-	0.00	-	0.00
In Mutual Funds	-	8.40	-	7.84
Aggregate amount of Quoted Investments	-	8.40	-	7.85
Total Investments	-	8.40	-	7.85

2.3 Other Financial Assets

Particulars	2019		2018	
	Current	Non Current	Current	Non Current
Deposits with IL and FS	-	-	-	13.00
NSC Bond	-	-	-	0.15
Security Deposit with APCPDCL	-	-	-	53.62
Security Deposit with Singareni Colories	-	-	-	0.70
Deposits with Others	-	79.69	-	-
Deposit for rentals	-	-	-	-
Deposit with CPD	-	-	-	-
Deposits with Others	28.72	-	26.47	-
Interest Receivable	4.50	-	5.34	-
TOTAL	33.23	79.69	31.81	67.47

2.4 Other Non Current Assets and Current Assets

Particulars	2019		2018	
	Current	Non Current	Current	Non Current
Deposits with Statutory authorities	-	-	-	0.26
Prepaid Expenses	-	-	0.82	-
Income Tax refund FY 2012-13	-	-	2.52	-
Income Tax refund FY 2017-18	6.30	-	3.78	-
Mumbai Sales tax deposit	39.99	-	22.69	-
GST input credit	0.15	-	161.06	-
ST input credit	86.99	-	86.99	-
Loans and advances staff	-	-	0.11	-
Maharashtra Vat tax paid	-	-	17.30	-
Advance for packing material	-	-	1.00	-
Creditors for goods	114.37	-	123.36	-
Excise Duty Claim Receivable on Export	-	1.76	0.03	-
TDS Receivable from parties	-	-	2.48	-
Excise duty appeal fee	-	-	-	1.76
Cenvat credit deferred	-	-	-	0.00
Cenvat credit	-	0.00	-	0.06
Vat Input credit receivable	-	-	-	-
Excise paid under protest	-	-	-	2.99
Deferred GST	-	-	-	4.14
Deferred Excise Duty	-	-	-	-
Advance Tax	25.00	-	-	-
TDS receivable	5.84	13.34	25.51	-
Advance others	199.11	19.36	-	2.70
TOTAL	477.75	34.46	447.66	11.91

2.5 Inventories

Particulars	2019 Current	2018 Current
Raw materials	2,751.11	230.00
Finished goods	944.59	2,147.66
Packing materials	-	24.27
TOTAL	3,695.70	2,401.93

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

2.6 Trade receivables

Particulars	2019 Current	2018 Current
Trade Receivables		
Unsecured, considered good	3,783.04	2,228.76
Less: Allowances for credit losses	-	-43.86
TOTAL	3,783.04	2,184.89

Trade Receivables hypothecated as security for availing working capital facilities

Movement of Impairment in Trade Receivables

Particulars	Amount
As at 1st April, 2016	(40.11)
Reversal of Impairment	9.52
As at 1st April, 2017	(30.59)
Add: additional allowance of expected credit loss	(13.27)
As at March 31, 2018	(43.86)
Reversal of Impairment	43.86
As at March 31, 2019	0.00

2.7 Cash and Cash Equivalents

Particulars	2019	2018
a) Cash and Cash equivalents		
i) Cash on hand	50.39	41.35
ii) Balances with banks		
- Current Accounts	38.69	25.06
- Fixed Deposits	-	10.19
b) Other Bank Balances (with restricted use)		
Margin Money Deposit Accounts (against Bank Guarantees)	125.22	92.63
Total	214.30	169.22

Cash and Cash Equivalents include the following for Cash flow purpose

Particulars	2019	2018
Cash and Cash Equivalents/ Bank Balances	214.30	169.22
Less: Bank OD & CC to be classified as Cash & Cash Equivalents	(1473.59)	(1465.95)
Cash and Cash Equivalents/ Bank Balances	(1259.29)	(1296.73)

2.8 Share Capital

Particulars	2019	2018
Authorized Share Capital		
10,000,000 Equity Shares of Rs.10 each (Previous year :80,00,000 Equity Shares of Rs.10 each)	2,000.00	2,000.00
Issued Subscribed and Paid up Share Capital		
1,69,40,400 equity shares of Rs.10/- each fully paid-up (Previous year: 1,69,40,400 Equity Shares of Rs.10 each, fully paid up)	1,694.04	1,694.04
	1,694.04	1,694.04

2.8.1 Reconciliation of Number of Shares

Particulars	2019	2018
Number of Shares at the beginning of the year	16,940,400	16,940,400
Add : Shares issued during the year	-	-
Number of Shares at the end of the year	16,940,400	16,940,400

2.8.2 Rights attached to equity shares

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

2.9 Other Equity

Particulars	2019	2018
Share Forfeiture reserve		
Opening Balance	64.53	64.53
Add: Shares issued during the year	-	-
	64.53	64.53
Capital Reserve		
Opening Balance	21.23	21.23
Surplus in the Statement of Profit and Loss		
Opening Balance	628.02	560.10
Add: Net profit transferred from the Statement of Profit and Loss	128.00	67.92
	756.02	628.02
Less: Appropriations		
ECL on Trade Receivables	-	-
Net change in fair value of FVTPL investments and others		
Actuarial gain or loss on employee defined benefit plan	(26.42)	
Closing Balance	729.60	628.02
Total	815.35	713.77

2.10 Borrowings

Particulars	2019		2018	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Term Loan from banks	-	133.83	-	119.04
Vehicle Loans	-	36.19	-	18.07
Int Free sales tax deposit	-	11.16	-	11.16
Unsecured Borrowings				
Cash Credit	1,473.59	-	1,465.95	-
Total	1,473.59	181.18	1,465.95	148.26

2.11 Deferred Tax Liabilities

Particulars	2019	2018
Opening Balance	252.92	305.87
Add : On account of difference in Net Block	2.04	(52.95)
Closing Balance	254.97	252.92

2.12 Other Non Current Liabilities & Current liabilities

Particulars	2019		2018	
	Current	Non Current	Current	Non Current
Loan from Directors	-	196.22	-	257.86
Loan from Others	-	96.18	-	111.06
Advance from customers	42.45	-	56.89	-
Security Deposit	-	0.21	-	0.21
Total	42.45	292.60	56.89	369.12

2.13 Long Term Provisions

Particulars	2019	2018
Provision for Gratuity and Employee Benefits		
Provision for Employee Benefits (Gratuity)	41.86	25.14
Provision for Employee Benefits (Leave encashment)	11.05	0.86
Closing Balance	52.91	25.99

2.14 Trade Payables

Particulars	2019	2018
Due to Micro & Small Enterprises	-	-
Dues to others	4,759.65	1,658.23
Total	4,759.65	1,658.23

2.15 Other financial liabilities

Particulars	2019	2018
	Current	Current
Current Maturities of LTD	-	120.19
Bills Payable	599.66	599.97
Staff Creditors	47.25	46.76
Liability for Expenses	220.84	175.51
Total	867.75	942.42

2.16 Provisions

Particulars	2019	2018
Provision for tax	50.15	38.75
Provision for Gratuity	18.35	
Provision for Leave encashment	5.62	
Total	74.13	38.75

2.17 Revenue from operations

Particulars	2019	2018
Revenue from :		
Operating Activities	16,326.23	7,970.37
Add: Excise Duty	-	90.97
Add: Other Operating Income	449.96	0.85
Revenue from operations	16,776.19	8,062.19

2.18 Other income

Particulars	2019	2018
Interest Received	7.53	11.04 Profit
on Foreign Exchange Fluctuation	(0.00)	-
Discount on Purchase	-	-
Rental charges- vodafone tower	-	0.12
Service Charges Income	-	0.06
Subsidy on Electrical Charges	-	-
Commission on Sales	-	-
Miscellaneous Income	4.71	4.76
Profit on Sale of Asset	-	29.34
Insurance Claim Received	-	-
Net gain on Fair value measurement of investments	0.55	
Total	12.78	45.33

2.19 Cost of materials consumed

Particulars	2019	2018
Raw Material		
Purchases	14,799.56	6,396.94
Add: Opening Stock	2,106.03	1,380.30
	16,905.59	7,777.24
Less: Closing Stock	2,751.11	2,147.66
	14,154.48	5,629.58
Total	14,154.48	5,629.58

2.20 Changes in inventories

Particulars	2019	2018
Finished goods		
Opening	271.63	359.57
Closing	944.59	230.00
	(672.96)	129.57
	(672.96)	129.57

2.21 Employee benefits expense

Particulars	2019	2018
Salaries & Wages	293.94	235.49
Director Remuneration	57.85	53.86
Contribution to provident and other funds	20.21	18.62
Staff Welfare, Recruitment Expenses	28.31	23.03
Other Allowances	-	-
Leave encashment	16.67	-
Exgratia & Gratuity	8.49	1.28
	425.47	332.28

2.22 Finance costs

Particulars	2019	2018
Interest Expense	274.75	279.60
Other borrowing costs	46.98	69.06
	321.73	348.66

2.23 Other expenses

Particulars	2019	2018
Rates and taxes	16.35	3.34
Insurance	21.39	5.11
Legal and Professional charges	21.18	22.52
ROC Expenses	0.03	0.30
Stamp Duty	-	-
Communication expenses	8.09	6.99
Travel & conveyance expenses	14.01	52.62
Rent Office & Godown	8.41	9.57
Power & Fuel	566.93	410.13
Sales & Business Promotion	5.44	7.12
Payment to Auditors	-	-
Statutory audit	2.00	2.00
Tax audit	-	-
Taxation and Other Matters	-	-
Cost Audit Fees	-	-
Repairs & Maintenance Expenses	95.24	125.84
Consumption of Stores	279.28	147.80
Discount & Rebate	24.67	8.43
Freight & Transportation	133.42	20.86
Labour Wages	400.38	302.83
Security Charges	15.08	16.37
Printing & Stationery	13.93	8.40
Miscellaneous expenses	114.91	97.55
Job Work Charges	441.22	72.68
Customs Duty	-	5.77
Interest Paid to Srinidhi infin Ltd	-	-
CSR	63.08	0.37
VAT Input Disallowed	-	-
Maharashtra VAT Tax - Penalty paid	-	-
Expected Credit Loss	(43.86)	13.27
Excise Duty	-	90.97
	2,201.18	1,430.84

2.24 Recent Accounting Pronouncements.

Ind AS 116 Leases :

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the effect of Ind AS 116 on the financial statements.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

2.26 Auditors Remuneration

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Audit fees	2.00	2.00
b) Other charges		
Taxation matters		–
TOTAL	2.00	2.00

2.27 Earnings per Share

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings		
Profit attributable to equity holders	128.00	67.92
Shares		
Number of shares at the beginning of the year	169.40	169.40
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	169.40	169.40
Weighted average number of equity shares outstanding during the year – Basic	169.40	169.40
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	169.40	169.40
Earnings per share of par value Rs.10/- – Basic (₹)	0.76	0.40
Earnings per share of par value Rs.10/- – Diluted (₹)	0.76	0.40

2.28 Related Parties

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

- Mr. S. Murali Krishna Murthy – Managing Director
- Mr. G Venkata Ramana - Joint Managing Director
- Mr. S. Mohan Krishna Murthy – Whole Time Director
- Mr. S. Balaji Venkateswarulu – Whole Time Director
- Mr. S. Srinivas Kumar – Whole Time Director
- Bh. Satyanarayana Raju – Whole Time Director
- Mr. J R K Panduranga Rao - Independent Director
- Mr. K. Pradyumna Teja – Independent Director
- Mr. T. Seshagiri – Independent Director
- Mr. B. Gopala Reddy – Independent Director
- Mr. Bh. Satyanarayana Raju – CFO
- Mr. Sharvari Swapnil Shinde-Company Secretary

The following is a summary of significant related party transactions:

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Key managerial personnel		
Remuneration		
Mr. S. Murali Krishna Murthy	5.40	5.40
Mr. S. Mohan Krishna Murthy	2.85	2.85
Mr. S. Balaji Venkateswarulu	5.40	5.40
Mr. S. Srinivas Kumar	5.40	5.40
Mr. G Venkata Ramana	21.23	19.81
Mr. Bh. Satyanarayana Raju	16.50	15.00
Mr. Sharvari Swapnil Shinde	1.80	0.50
Sitting Fee		
Mr. J R K Panduranga Rao	0.05	0.05
Mr. M. Tippayya (Resigned 30.07.2018)	0.02	0.05
Mr. T. Seshagiri	0.05	0.01
Mr. B. Gopala Reddy	0.05	0.04
TOTAL	58.75	54.51

Other related party transactions

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sri sai krishna marketing associates-associate firm		
Sales	8.93	43.85
Purchases	6.73	16.82
Trade Receivables	178.33	185.73
Wohler Laboratories Private Limited-associate company		
Sales	443.57	354.73
Purchases	462.64	–
Trade Receivables /(Payables)	–	254.95
Unsecured Loans received by the company		
S. Balaji Venkateswarlu - Director	7.18	20.39
S. Mohan Krishna Murthy - Director	23.65	35.99
S. Murali Krishna Murthy - Managing Director	31.41	44.62
S. Srinivas Kumar-Director	19.85	33.06
Bh. Satyanarayana Raju - Director	3.54	3.78
G. Venkata Ramana - Joint Managing Director	(4.64)	0.08
Srinidhi Infin Limited-Entity in which directors are interested	85.10	85.10

2.29 Segment Reporting

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

2.30 Employee benefits

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the “Gratuity Plan”) and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee’s last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2019 consist of the following:

(Amount in Rs Lakhs)

Particulars	For the Years ended 31st March 2019
Current service cost	5.28
Interest on net defined benefit liability / (asset)	1.94
Gratuity cost recognized in statement of profit and loss	7.21

Details of changes in the present value of defined benefit obligations are as follows:

(Amount in Rs Lakhs)

Particulars	As of 31 March 2019
Defined benefit obligations at the beginning of the year	25.32
Current service cost	5.28
Interest on defined obligations	1.94
Re-measurements due to:	
Actuarial loss/(gain) due to change in financial assumptions	-
Actuarial loss/(gain) due to demographic assumptions	-
Actuarial loss/(gain) due to experience changes	23.84
Benefits paid	-
Defined benefit obligations at the end of the year	56.37

Summary of Actuarial Assumptions:

The actuarial assumptions used in accounting for the Gratuity Plan are as follows:

The assumptions used to determine benefit obligations:

Particulars	For the Years ended 31st March 2019
Discount rate	7.65%
Salary Escalation	5.00%
Mortality Rate	100.0%
Disability Rate	0.00%
Withdrawal Rate	5.0% to 7.0%
Normal Retirement Age	60 Years
Adjusted Average Future Service	9.44

Leave Encashment:

The Company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The Company records expenditure on payment basis.

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

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current taxes expense		
Domestic	53.76	38.75
Prior year tax adjustments	-	14.31
Deferred taxes expense/(benefit)		
Domestic	2.04	(52.95)
Total income tax expense/ (benefit) recognized in the statement of profit and loss	55.80	0.11

b. Reconciliation of Effective tax rate:

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before income taxes	183.80	68.04
Enacted tax rate in India	27.82%	33.06%
Computed expected tax benefit/(expense)	51.13	22.49
Effect of:		
Expenses not deductible for Tax purposes	60.81	77.73
Expenses deductible for Tax purposes	(61.79)	(61.48)
Taxable at Special Rates		
Income tax benefit/(expense) for the year	50.15	38.75
Effective tax rate	27.29%	56.95%

The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 27.29% and 56.95%, respectively.

c. Deferred tax assets & Liabilities:

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.92)
Net deferred tax assets/(liabilities)	(254.97)	(252.92)

2.31 Financial Risk Management:

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

a. Credit Risk:

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

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Nil as at 31 March 2019 and Rs. 43.87 lakhs as at 31st March 2018.

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

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

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current taxes expense		
Domestic	53.76	38.75
Prior year tax adjustments	-	14.31
Deferred taxes expense/(benefit)		
Domestic	2.04	(52.95)
Total income tax expense/ (benefit) recognized in the statement of profit and loss	55.80	0.11

b. Reconciliation of Effective tax rate:

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before income taxes	183.80	68.04
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The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 27.29% and 56.95%, respectively.

c. Deferred tax assets & Liabilities:

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.92)
Net deferred tax assets/(liabilities)	(254.97)	(252.92)

2.31 Financial Risk Management:

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

a. Credit Risk:

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

Trade Receivables-The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Nil as at 31 March 2019 and Rs. 43.87 lakhs as at 31st March 2018.

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

(Amount in Rs Lakhs)

Particulars	As of 31 March	
	2019	2018
Period (in days)		
1 – 90	3226.86	920.02
90 – 180	91.14	731.53
More than 180	417.38	577.21
Total	3735.38	2228.26

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

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2019.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31 March 2019 and 31 March 2018 are as follows:

(Amount in Rs Lakhs)

Particulars	For the Year Ended 31 March	
	2019	2018
Balance at the beginning of the year	3783.40	2228.76
Impairment of Trade receivables	-	(43.87)
Balance at the end of the year	3783.40	2184.90

Liquidity Risks:

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

As of 31 March 2019 and 2018, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31 March 2019, the Company had working capital (current assets less current liabilities) of Rs.986.45 lakhs including cash and cash equivalents of Rs.214.30 Lakhs and investments in FVTPL financial assets of Rs.8.40 lakhs. As of 31 March 2018, the Company had working capital of Rs. 1073.26 lakhs, including cash and cash equivalents of Rs. 169.22 lakhs and investments in FVTPL financial assets of Rs. 7.85 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019:

(Amount in Rs Lakhs)

Particulars	2020	2021	2022	Thereafter	Total
Long term borrowings-Vehicle loan	16.02	9.08	5.18	5.90	36.19
Long term borrowings-Interest free Sales tax deposit	-	-	-	11.16	11.16
Bank overdraft, short-term loans and borrowings*	17.88	17.88	-	-	-

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

Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Coffee Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity.

Interest rate Risk

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

CAPITAL MANAGEMENT

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

The company's Debt Equity ratio is as follows:

Particulars	2019	2018
Total Debt	1947.17	1983.12
Total Equity	2509.39	2407.80
Debt Equity Ratio	0.78:1	0.82:1

2.32 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

(Amount in Rs Lakhs)

Particulars	2019	2018
Contingent Liabilities		
a) Letter of credit outstanding	599.96	500.76
b) Demand raised by excise department for FY 2010-11 to 2011-12	10.03	10.03
c) Demand raised by Income tax department for FY 2013-14 TO 2014-15	0.90	7.09
d) Demand raised by Income tax department for FY 2008-09, FY 2009-10 and FY 2010-11 *	1.43	88.20
	612.32	606.08

* Tax deposited under protest Rs17.29 lakhs

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Form No. MGT-11

Proxy form

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

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

Name of the member(s): Registered Address: E-mail Id: Folio No./Client Id: DP ID:

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

1. Name :
 Address : _
 E-mail Id :
 Signature:, or failing him

2. Name :
 Address:
 E-mail Id:
 Signature:, or failing him

3. Name :
 Address:
 E-mail Id:
 Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 11.30 a.m at D.No: 3-4-512/35 (43/4RT), opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolutions:

1. Approval of financial statements for the year ended 31.03.2019.
2. Appoint a director in place of Mr. S. Srinivasa Kumar (DIN:02010272) who retires by rotation and being eligible offers himself for appointment.
3. Appoint a director in place of Mr. S. Balaji Venkateswarlu (DIN:02010148) who retires by rotation and being eligible offers himself for appointment.
4. Appointment and payment of remuneration to the Cost auditor for the financial year 2018-2019.
5. Re-appointment of Mr. G. Venkata Ramana (DIN: 00031873) as Joint Managing Director of the Company.
6. Re-appointment of Mr. B. Satyanarayana Raju (DIN: 02697880) as Whole-Time Director cum CFO of the Company.
7. Re-appointment of Mrs. T. Uma sangeetha as Independent Director of the Company.
8. Continuation of Mr. J. R. K. Panduranga Rao (DIN: 00294746) as an Independent Director.
9. Continuation of Mr. B. Satyanarayana Raju (DIN: 02697880) as Whole-Time Director.

Signed this day of 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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

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

I hereby record my presence for the 32nd Annual General Meeting of the members to be held on Monday, 30th day of September, 2019 at 11.30 a.m. at registered office of the company at D. No: 3-4-512/35 (43/4RT), opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

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

Folio No./ Client ID _____

No. of shares held _____

Note:

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

ROUTE MAP FOR AGM VENUE



Book Post

If undelivered, please return to :



ORTIN LABORATORIES LIMITED

D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura,
Hyderabad - 500027, Ph: 040-27567266, Fax: 040-66103055

E-mail : info@ortinlabsindia.com

Website : www.ortinlabsindia.com