



**ORTIN LABORATORIES LIMITED**

**34<sup>th</sup>**  
**ANNUAL REPORT**  
2020-2021



## Corporate Information

### BOARD OF DIRECTORS

1. Mr. S. Murali Krishna Murthy - Managing Director (DIN: 00540632)
2. <sup>§</sup>Mr. S. Mohan Krishna Murthy - Whole Time Director (DIN: 00540705)
3. Mr. S. Srinivas Kumar - Whole Time Director (DIN: 02010272)
4. \*Mr. G. VenkataRamana - Non-Executive Director (DIN: 00031873)
5. Mr. S. BalajiVenkateswarlu - Non-Executive Director (DIN: 02010148)
6. \*\*Mr. Bh. Satyanarayana Raju - Non Executive Director (DIN: 02697880)
7. Mr. J. R. K. Panduranga Rao - Independent Director (DIN: 00294746)
8. Mr. B. Gopal Reddy - Independent Director (DIN: 06716560)
9. ^Ms. T. Uma Sangeetha - Independent Director (DIN: 08120320)
10. ^^Mr. Murali Krishna Rayaprolu - Independent Director (DIN: 08928502)
11. `Ms. Pottur Sujatha - Independent Director (DIN: 08979645)

\*Change in designation from Joint Managing Director to Non-executive Director w.e.f. 01.01.2021

\*\*Change is designation from Whole time Director and CFO to Non-executive Director w.e.f. 01.01.2021

^Resigned w.e.f 01.01.2021

^^Appointed w.e.f 23.10.2020

`Appointed w.e.f 05.12.2020

§ passed away on 26.11.2021

**CFO:** \*Mr. Bh. Satyanarayana Raju

\*\*Mr. S. Srinivas Kumar

\*Resigned as CFO w.e.f. 01.01.2021

\*\*Appointed as CFO w.e.f 01.01.2021

**COMPANY SECRETARY:** \*Mr. Nitesh Kumar Sharma

\*Appointed as CS w.e.f 24.07.2020

### REGISTERED OFFICE :

D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park,

Barkatpura, `Hyderabad-500027

Ph: 040-27567266 / 27562055

Email: info@ortinlabsindia.com

### Works:

Plot No.275 & 278, I.D.A, Pashamylaram, Sangareddy Dist.-502307 (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. \*Mrs.T. Uma Sangeetha - Chairperson
2. Mr. J.R.K. PanduRangaRao - Member
3. Dr. B. Gopal Reddy - Member
4. \*\*Ms. PotturSujatha - Chairperson

\*Resigned w.e.f 01.01.2021

\*\*Appointed w.e.f 01.01.2021

### **NOMINATION & REMUNERATION COMMITTEE:**

1. \*Mrs.T. Uma Sangeetha - Chairperson
2. Mr. J.R.K. PanduRangaRao - Member
3. Dr. B. Gopal Reddy - Member
4. \*\*Ms. PotturSujatha - Chairperson

\*resigned w.e.f. 01.01.2021

\*\*Appointed w.e.f 01.01.2021

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

1. Mr. J.R.K. PanduRangaRao - Chairman
2. \*Mrs.T. Uma Sangeetha - Member
3. Dr. B. Gopal Reddy - Member
4. \*\*Ms. Pottur Sujatha - Member

\*resigned w.e.f. 01.01.2021

\*\*Appointed w.e.f 01.01.2021

### **INDEPENDENT DIRECTORS COMMITTEE:**

1. \*Ms. T. Uma Sangeetha - Chairman
2. Mr. J. R. K. PandurangaRao - Member
3. Dr. B. Gopal Reddy - Member
4. \*\*MuralikrishnaRayaprolu - Member
5. ^PotturSujatha - Member

\*resigned w.e.f. 01.01.2021

\*\*Appointed w.e.f 23.10.2020

^Appointed w.e.f 05.12.2020

### **REGISTRAR & SHARE TRANSFER AGENTS**

M/s Kfin Technologies 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 : INE749B01020  
WEBSITE : www.ortinlabsindia.com  
INVESTOR E-MAIL ID : info@ortinlabsindia.com

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of Ortin Laboratories Limited will be held on Tuesday, 28th day of December, 2021 at 11:00 a.m. through Video Conferencing/ Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2021, 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. Srinivas 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. Murali Krishna Murthy (DIN:00540632) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. REAPPOINTMENT OF Mr. S. MURALI KRISHNA MURTHY (DIN: 00540632) AS MANAGING DIRECTOR OF THE COMPANY:

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Murali Krishna Murthy (DIN: 00540632) as Managing Director of the Company for a period of three years with effect from 27.01.2022 to 26.01.2025 at a remuneration upto Rs. 1,00,000/- 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. S. Murali Krishna Murthy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board 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.

#### 5. CONTINUATION OF MR. GOPAL REDDY BHEEMREDDY (DIN: 06716560) AS 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 for continuation of Mr. Gopal Reddy Bheemreddy, who shall attain the age of 75 years in January 2022."

"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."

#### 6. APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2021-22:

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, 2022 on a remuneration of Rs. 50,000/-(Rupees fifty thousand only) plus out of pocket expenses and applicable taxes."

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

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Place: Hyderabad

Date: 03.12.2021

## NOTES

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID 19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with SEBI Circular No. 20/2020 dated May 05, 2020 and extended circular dated January 15, 2021, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM for the Financial year 2020-2021.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

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 22.12.2021 to 28.12.2021 (including both days).
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. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts.
6. 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.
7. 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, and to their respective depository participant, if held in electronic form.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, which extended vide SEBI circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
9. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)

10. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 34th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
11. e-AGM: Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
12. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
13. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
14. Up to 10000 members will be able to join on a FIFO basis to the e-AGM.
15. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
16. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

#### **PROCEDURE FOR REMOTE E-VOTING**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting facility will be available during the following period  
Commencement of remote e-voting: From 9.00 am (IST) on Saturday, 25th December, 2021.  
End of remote e-voting: At 5.00 p.m. (IST) on Monday, 27th December, 2021.  
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked thereafter by the e-voting service providers. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
  - Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
  - Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
  - Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.



**Details on Step 1 are mentioned below:**

- I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility:                             <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. User not registered for IDeAS e-Services                             <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1</li> </ol> </li> <li>3. Alternatively by directly accessing the e-Voting website of NSDL                             <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. Kfintech.</li> <li>V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
Individual Shareholders	<ol style="list-style-type: none"> <li>1. Existing user who have opted for Easi / Easiest</li> </ol>

<p>holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <ol style="list-style-type: none"> <li>2. User not registered for Easi/Easiest             <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1</li> </ol> </li> <li>3. Alternatively, by directly accessing the e-Voting website of CDSL             <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</li> </ol> </li> </ol>
<p>Individual Shareholder login through their demat accounts /Website of Depository Participant</p>	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:**

- II) Login method for e-Voting for shareholders other than Individual’s shareholders holding securities in demat mode and shareholders holding securities in physical mode.
  - (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
    - i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
    - iii. After entering these details appropriately, click on “LOGIN”.
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (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 and answer 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. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Ortin Laboratories Limited -AGM’ and click on “Submit”
    - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id viveksurana24@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name\_Even No.”
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
  - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

- III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [atinfo@ortinlabsindia.com](mailto:atinfo@ortinlabsindia.com). Questions /queries received by the Company till 21.12.2021 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

## **OTHER INSTRUCTIONS**

- i. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which

will opened from 25th December,2021 to 27th December, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 25.12.2021 to 27.12.2021.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners on 21st December, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
    1. Example for NSDL:
    2. MYEPWD <SPACE> In12345612345678
    3. Example for CDSL:
    4. MYEPWD <SPACE> 1402345612345678
    5. Example for Physical:
    6. MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

22. The members who have cast their vote by remote e-voting may also attend the meeting shall not be entitled to cast their vote again.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
25. The Board of Directors of the Company has appointed Vivek Surana & Associates, Practicing Company Secretaries as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
26. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., 21.12.2021.
27. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e., 21.12.2021 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
28. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.ortinlabsindia.com](http://www.ortinlabsindia.com) and on the website of the KFin Tech <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
29. 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.
30. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board of  
For **Ortin Laboratories Limited**  
Sd/-

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

Place: Hyderabad  
Date: 03.12.2021

## Explanatory Statement

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

### ITEM NO 4:

REAPPOINTMENT OF MR. S. MURALI KRISHNA MURTHY (DIN: 00540632) AS MANAGING DIRECTOR OF THE COMPANY:

Mr. S. Murali Krishna Murthy (DIN: 00540632) was reappointed as Managing Director of the Company for a period of 3 years from 27.01.2019 to 26.01.2022 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 14.08.2021, approved the re-appointment of Mr. S. Murali Krishna Murthy (DIN: 00540632) as Managing Director of the Company for a term of three years commencing from 27.01.2022 to 26.01.2025 with a remuneration upto Rs.1,00,000/- p.m

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice for reappointment of Mr. S. Murali Krishna Murthy (DIN: 00540632).

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

Information in accordance with Schedule V of Companies Act, 2013

#### I. General Information

- 1 Nature of Industry : Pharmaceutical Industry
- 2 Date or expected date of commencement of commercial: 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	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)
Turnover	821.75	19757.91	16788.98
Net profit after Tax	94.55	(56.39)	128.00

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

### ITEM NO. 5:

CONTINUATION OF MR. GOPAL REDDY BHEEMREDDY (DIN: 06716560) AS INDEPENDENT DIRECTOR:

As per 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. Gopal Reddy Bheemreddy (DIN: 06716560), Independent Director of the Company has joined the Board of Directors of the Company on 01.04.2019. Pursuant to provisions of the Companies Act, 2013. His continuation as Independent Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 who shall attain the age of 75 years in January 2022.

Accordingly the Board of Directors recommends the passing of the above resolution as Special resolution set out in the item no. 5 of the notice for continuation of Mr. Gopal Reddy Bheemreddy.



Save and except Mr. Gopal Reddy Bheemreddy 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. 6:**

**APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2021-2022:**

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, 2022 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. 6 of the notice for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

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.

**II. Information About The Appointee:**

1. Background Details: Mr. S. Murali Krishna Murthy started a Pharma. Distribution Business in the year 1978 along with his other partners with a very meager investment. He has developed the business of the firm to multi folds within a span of 10 yrs. He has graduated in Science from Nagarjuna University. He has an experience of 35 yrs in Pharma Business.
2. Past Remuneration: The remuneration drawn by S. Murali Krishna Murthy (DIN: 00540632), Managing Director is Rs. 6,57,600 per year when was it drawn.
3. Recognition or awards : -- Nil
4. Job Profile and his suitability:  
Keeping the past record of Mr S. Murali Krishna Murthy in mind and his contribution towards the Company, it is proposed to re-appoint him as Managing Director of the Company.
5. Remuneration proposed:  
As set out in the resolution for the item No.4 the remuneration to Mr S. Murali Krishna Murthy, 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 S. Murali Krishna Murthy 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 68,844 Equity Shares of the Company.

**III. Other Information:**

1. Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.

2. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3. Expected increase in productivity and profit in measurable terms:  
The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

For and on behalf of the Board of  
For **Ortin Laboratories Limited**  
Sd/-

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

Place: Hyderabad  
Date: 03.12.2021

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

Name of the Director	Mr. S. Srinivas Kumar	Mr. S. Murali Krishna Murthy
Date of Birth	01.07.1965	08.07.1959
Qualification	SSC	B.Sc
Expertise in specific functional areas	Distribution Network	Management
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	--	--
No. of Shares held in the Company	1,32,175 Equity Shares of the Company	68,844 Equity Shares of the Company
Inter se relationship with any Director	Related to Mr. S. Murali Krishna Murthy, Mr. S. Balaji Venkateswarlu	Related to Mr. S. Balaji Venkateswarlu and Mr. S. Srinivas Kumar.

For and on behalf of the Board of  
For **Ortin Laboratories Limited**  
Sd/-

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

Place: Hyderabad  
Date: 03.12.2021

## 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 2021.

### 1. Financial summary/highlights, operations state of affairs:

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

Particulars	(Rs. In Lakhs)	
	2020-21	2019-20
Total Revenue from operations	821.75	19,757.91
Total Expenses	808.11	19,686.05
Profit Before Tax	13.65	71.85
Less: Provision for Taxation	(80.90)	128.24
Profit / (Loss) After Tax	94.55	(56.39)
Other Comprehensive Income	--	(71.41)
<b>Total Comprehensive Income</b>	<b>94.55</b>	<b>(127.80)</b>
Earning per Equity Share- Basic & Diluted (in Rs.)	1.16 & 1.16	(0.33 & 0.33)

### Review of operations

Your Company has shown good results during the year under review and achieved sales and other income of Rs.821.75 Lakhs and net profit of Rs. 94.55 Lakhs as compared to sales and other income of Rs.19757.91 Lakhs and net profit of Rs. (56.39) Lakhs achieved in the previous financial year.

### Business update and state of company's affairs

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

### 2. Impact of Covid – 19

The COVID-19 created havoc in the world economy and severely affected the health of people at large and held the world at its standstill. Accordingly, the lockdowns that were announced from time to time across India resulting in temporary suspension of operations and temporary closure of offices and plants/manufacturing facilities of the Company in line with the government/local authorities' directions.

**3. 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.

**4. Reserves**

During the year our company has not transferred any amount to General Reserve Account.

**5. 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, there is no amount to be transferred to Investor education and Protection Fund established by the Central Government in regard to dividends which remain unpaid or unclaimed for a period of seven years.

**6. 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.09.07.2021)

**7. Board meetings**

The Board of Directors duly met Ten (10) times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are 05.06.2020, 30.07.2020, 15.09.2020, 23.10.2020, 13.11.2020, 20.11.2020, 05.12.2020, 01.01.2021, 23.01.2021 and 13.02.2021.

**8. Appointment / Re-appointment / Resignation / Retirement Of Directors / CEO/ CFO And Key Managerial Personnel**

i. Following Appointments have taken place till the date of this report

S.No	Name of the Director/KMP	Designation	Date
1	Mr. G. Venkata Ramana	Change in Designation from Joint Managing Director to Non-Executive Director	01.01.2021
2	Mr. Bh. Satya Narayana Raju	Change in Designation from Whole Time Director & CFO to Non-Executive Director	01.01.2021
3	Mr. S. Srinivas Kumar	Chief Financial Officer	01.01.2021
4	Mr. Murali Krishna Rayaprolu	Independent Director	23.10.2020
5	Ms. Pottur Sujatha	Independent Director	05.12.2020
6	Mr. Nitesh Kumar Sharma	Company Secretary and Compliance Officer	24.07.2020
7	Mr. T. Sheshagiri	Independent Director	Expired on 30.06.2020

ii. Following Resignations have taken place till the date of this report

S.No	Name of the Director/KMP	Designation	Date
1	Ms. T. Uma Sangeetha	Independent Director	01.01.2021
2	Mr. Bh. Satya Narayana Raju	Chief Financial Officer	01.01.2021

The Board places on record the sincere appreciation for the services rendered by directors/ KMP during their association with the company.

## 9. Revision of Financial Statements

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

## 10. Declaration From Independent Directors on Annual Basis

The Company has received declarations from all the 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.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

During the year, Non-executive Director had no pecuniary relationship or transactions with the Company, other than sitting fees, their holding, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

## 11. 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.

## 12. Policy an 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 a part of Corporate Governance Report.

We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

### **13. 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.

### **14. 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.

### **15. 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 annual return is disclosed on the website of the company i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com).

### **16. Statutory Auditors**

The members of the Company in accordance with Section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. Sathuluri & Co., as Statutory Auditors of the

Company for a period of 5 years in the AGM held on 29.09.2017 to hold office up to the conclusion of 35th Annual General Meeting of the Company to be held in the 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.

#### **17. Details In Respect of Frauds Reported by Auditors Under Sub Section (12) of Section 143 other than Those Which are Reportable to the Central Government**

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

#### **18. 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, 2021.

#### **19. Internal Audit**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

#### **20. Internal Auditor**

During the year, no Internal Auditor was appointed for the year 2020-2021.

#### **21. 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 31.03.2021. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

#### **22. 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, 2021 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, 2021 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.

**Annual Secretarial Compliance Report**

The Company has filed the Annual Secretarial Compliance Report for the year 2020-2021 with the BSE Limited and National Stock Exchange of India Limited, The report was received from a Practicing Company Secretary and filed with both the Exchanges.

**23. Particulars of Loans, Guarantees or Investments**

The Company has not given loans, Guarantees or made any investments during the year under review.

**24. Related Party Transactions**

Our Company has formulated a policy on related party transactions which is also available on Company's website at [www.ortinlabsindia.com](http://www.ortinlabsindia.com). This policy deals with the review and approval of 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.

**25. Names of the Companies Which the related party transaction are enclosed as Annexure - I 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.

**26. 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: NIL

**27. 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.

**28. 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.

**29. 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.

### **30. 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.

### **31. Significant & Material Orders Passed By Courts / Regulators / Tribunals**

Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench has issued orders on 24.12.2020 in respect of sanctioning the Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) and their respective shareholders and Creditors (Scheme).

As per Exchange Notice No. 20210106- 26 dated January 6, 2021, the Company had fixed January 13, 2021 as record date for giving effect to the reduction of share capital.

BSE limited and National Stock Exchange of India Limited vide its letter dated March 25, 2021 has approved for trading of 81,31,392 equity shares of Rs. 10/- each bearing distinctive nos. 1 to 8131392 pursuant to Reduction of Capital.

### **32. 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.

### **33. Insurance**

The properties and assets of your Company are adequately insured.

### **34. Credit & Guarantee Facilities**

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

### **35. Risk Management Policy**

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

### **36. Share Capital**

The authorised share capital of the Company stands at Rs.9,60,00,000 divided into 96,00,000 equity shares of Rs. 10/- each .

The paid up share capital of the Company stands at Rs. 8,13,13,920 divided into 81,31,392 equity shares of Rs. 10/-each.

### **37. 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 Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

### **38. Management Discussions And Analysis Report**

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as Annexure IV for information of the Members.

### **39. 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.

### **40. Environments 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 upmost 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.

### **41. 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.

### **42. 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. During the year 2020-2021 , there were no complaints received by the Committee.

#### **43. 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 V

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.

#### **44. 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 annexed as Annexure -V

#### **45. 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>)

#### **46. 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 evaluation forms for 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. fair;
2. satisfactory; and
3. very satisfactory.

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.

#### **47. Secretarial Standards**

The Company is in compliance with the applicable secretarial standards.

#### **48. 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

#### **49. Corporate Insolvency Resolution Process Initiated Under The Insolvency And Bankruptcy Code, 2016 (IBC)**

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT

#### **50. CEO/ CFO Certification**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2020-2021 is annexed in this Annual Report.

## **51. 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**

Sd/-

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

Sd/-

**S. Mohan Krishna Murthy**  
Whole- Time Director  
DIN: 00540705

Place: Hyderabad  
Date : 09/07/2021

## **CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2020-2021**

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 2020-2021 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 2020-2021.

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

Sd/-

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

Sd/-

**S. Mohan Krishna Murthy**  
Whole- Time Director  
DIN: 00540705

Place: Hyderabad  
Date : 09/07/2021

**Annexure I**

**Form No. AOC-2**

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

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

**Related Party Disclosures**

**a) Names of the related parties and nature of relationship (as per Ind AS 24):**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>	<b>Designation</b>
<i>Key Management Personnel (KMP):</i>	<i>S. Murali Krishna Murthy</i>	<i>Managing Director</i>
	<i>S. Mohan Krishna Murthy</i>	<i>Whole Time Director</i>
	<i>S. Srinivas Kumar</i>	<i>Whole Time Director &amp; CFO</i>
<i>Independent / Non-Executive Directors</i>	<i>J. R. K. Panduranga Rao</i>	<i>Independent Director</i>
	<i>B. Gopal Reddy</i>	<i>Independent Director</i>
	<i>Murali Krishna Rayaprolu</i>	<i>Independent Director</i>
	<i>Pottur Sujatha</i>	<i>Independent Director</i>
	<i>G. Venkata Ramana</i>	<i>Non-Executive Directors</i>
	<i>BH. Satyanarayana Raju</i>	<i>Non-Executive Directors</i>
<i>Relatives of Key Management Personnel (KMP):</i>	<i>S. Balaji Venkateswarlu</i>	<i>Non-Executive Directors</i>
	<i>Sri Sai Krishna Marketing Associates</i>	<i>Entity in which directors are interested</i>

**Transactions with related parties:**

(Rs. In Lakhs)

Particulars	Nature of Relation	Nature	As at	As at
			March 31, 2021	March 31, 2020
Sri Sai Krishna Marketing Associates	Entity in which directors are interested	Sale	1.44	11.89
		Purchase	97.19	5.53
Murali Krishna Murthy	Managing Director	Unsecured loan	36.05	18.70
S. Mohan Krishna Murthy	Whole Time Director	Unsecured loan	25.06	33.56
S. Balaji Venkateswarlu	Non - Executive Director	Unsecured loan	16.19	17.68
S.Srinivas Kumar	Whole Time Director & CFO	Unsecured loan	24.78	26.27
Murali Krishna Murthy	Managing Director	Remuneration	6.00	5.70
S. Mohan Krishna Murthy	Whole Time Director	Remuneration	3.17	3.00
S. Balaji Venkateswarlu	Non - Executive Director	Remuneration	5.40	5.40
S.Srinivas Kumar	Whole Time Director & CFO	Remuneration	5.40	5.40
Nitesh Kumar Sharma (2020-21) / Sharvari Swapnil Shinde (2019-20)	Company Secretary	Remuneration	1.67	0.90
B.Gopal Reddy	Independent Director	Sitting Fees	0.02	0.03
Murali Krishna Raya prou	Independent Director	Sitting Fees	0.01	0.00
J. R. K. Panduranga Rao	Independent Director	Sitting Fees	0.00	0.02

**Related party balances:**
**Amount due to related parties**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Murali Krishna Murthy	36.05	18.70
S. Mohan Krishna Murthy	25.06	33.56
S. Balaji Venkateswarlu	16.19	17.68
S.Srinivas Kumar	24.78	26.27

**Amount due from related parties**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Sri Sai Krishna Marketing Associates	178.52	182.78



**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, 2021**

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, 2020 and ended 31st March, 2021 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 herein after:

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, 2021 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 2020-2021:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; The Company has completed the process of Demerger during the year and accordingly the existing and outgoing promoters have given the

required disclosures. However there was no instance of disclosure to be reported by the Company under SEBI Takeover Code.

- 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 KFin Technologies 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) Factories Act, 1948
  - b) Payment Of Wages Act, 1936, and rules made there under,
  - c) The Minimum Wages Act, 1948, and rules made there under,
  - d) Employees' State Insurance Act, 1948, and rules made there under,
  - e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - f) The Payment of Bonus Act, 1965, and rules made there under,
  - g) Payment of Gratuity Act, 1972, and rules made there under,
  - h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

- i) Industrial Disputes Act, 1947
- j) The Air (Prevention and Control of Pollution) Act, 1981
- k) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- l) Textiles Committee Act, 1963
- m) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

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 10 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meetings of Stakeholder Relationship Committee, 2 Meetings of Nomination and Remuneration Committee meeting 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. S. Srinivas Kumar was appointed w.e.f 01.01.2021 and Mr. Nitesh Kumar Sharma as Company Secretary cum compliance officer of the Company w.e.f 24.07.2020.
- The Company has not appointed internal auditor.

- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items 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.
- BSE and NSE has levied a penalty of Rs.1,10,920/- towards Non-compliance with provisions of Regulation 6(1) of SEBI (LODR) Regulations, 2015 – appointment of qualified company secretary cum compliance officer for the period 01.04.2020 to 23.07.2020. However, the Company has paid the said penalty levied by NSE and BSE vide its email dated 16.04.2021 has waived off the said penalty on Company's request.
- We further report that during the year under report, Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench has issued orders on 24.12.2020 in respect of sanctioning the Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company ) and Vineet Laboratories Limited (Resulting Company) and their respective shareholders and Creditors (Scheme).

For **Vivek Surana & Associates**

Sd/-

**Vivek Suarana**

Proprietor

M. No. A24531, C.P. No: 12901

UDIN: A024531C000546987

Place: Hyderabad

Date : 30.06.2021

**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**

Sd/-

**Vivek Suarana**

Proprietor

M. No. A24531, C.P. No: 12901

UDIN: A024531C000546987

Place: Hyderabad  
Date : 30.06.2021

**Annexure III**

## **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:

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

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

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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, 2021. 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 10 members (including 4 Independent Non-Executive Directors and 3 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	Board meetings 20 - 21	
								Held	Attended
1	Mr. S. Murali Krishna Murthy	Managing Director	-	-	-	-	Yes	10	10
2	Mr S. Mohan Krishna Murthy	Whole-Time Director	-	-	-	-	Yes	10	10
3	Mr S. Srinivas Kumar	Whole-Time Director cum CFO	-	-	-	-	Yes	10	10
4	Mr. G. Venkata Ramana	Director	-	-	-	-	Yes	10	10
5	Mr S. Balaji Venkateswarlu	Non Executive & Non Independent Director	-	-	-	-	Yes	10	10

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	Board meetings 20 - 21	
								Held	Attended
6	Mr. B. Satyanarayana Raju	Director	-	-	-	-	Yes	10	10
7	Mr J. R. K. Panduranga Rao	Chairman, Non Executive & Independent Director	-	-	-	-	Yes	10	10
8	Dr B. Gopal Reddy	Non Executive & Independent Director	-	-	-	-	Yes	10	10
9	^Mrs T. Uma Sangeetha	Non Executive & Independent Director	-	-	-	-	Yes	10	8
10	^^Mr. Murali Krishna Rayaprolu	Non Executive & Independent Director	-	-	-	-	NA	10	7
11	`Ms. Pottur Sujatha	Non Executive & Independent Director	-	-	-	-	NA	10	4

^Resigned w.e.f 01.01.2021

^^Appointed w.e.f 23.10.2020

`Appointed w.e.f 05.12.2020



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

S. No	Names of the Director	Existing Skills/Expertise/Competence
1	Mr. S. Murali Krishna Murthy	Management
2	Mr S. Mohan Krishna Murthy	Accounts & Finance
3	Mr S. Balaji Venkateswarlu	Marketing
4	Mr S. Srinivaskumar	Distribution network
5	Mr. G. Venkata Ramana	Administration
6	Mr B. Satyanarayana Raju	Administration and Finance
7	Dr B. Gopal Reddy	Technical Adviser
8	Mr. Murali Krishna Rayaprolu	Technical Adviser
9	Ms. Pottur Sujatha	Marketing
10	Mr J. R. K. Panduranga Rao	Distribution network

**C. MEETINGS DURING THE YEAR**

During the year, the Board of Directors duly met Ten (10) times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are 05.06.2020, 30.07.2020, 15.09.2020, 23.10.2020, 13.11.2020, 20.11.2020, 05.12.2020, 01.01.2021, 23.01.2021 and 13.02.2021 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**

Mr. S. Balaji Venkateswarlu, Mr. G. Venkata Ramana and Mr. Bh. Satyanarayana Raju Non-Executive Director of the Company holds 75732, 392836 and 238142 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.

The Company confirms that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Ms. T. Uma Sangeetha, resigned as Independent Director of the company w.e.f. 01.01.2021. There is no material reason except her pre occupations, for resigning as Independent Director of the Company. The Board places on record its sincere appreciation for the valuable services rendered by her during her tenure as Director.

**DECLARATION BY BOARD**

The Board has confirmed that in its opinion, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

## **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 13.02.2021, 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. RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION**

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

## **I. 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 2020-2021 are also disclosed on the Company's website i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

## **J. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

Mr. S. Murali Krishna Murthy, Mr. S. Mohan Krishna Murthy, Mr. S. Srinivas Kumar are Inter se related to each other.

## **K. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2020-2021 on 13.02.2021, involving the following:

- (i) Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their

performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

- (ii) Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on 13.02.2021, mainly to review the performance of Independent Directors and the Managing Director and whole time Director and also the Board as a whole. All IDs were present at the said meeting.

- **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

## 2. Committees of the board

- i) **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 the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing the findings of any internal investigations by the internal auditors into 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;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing 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.
- 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.
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.]

## B. COMPOSITION, MEETINGS & ATTENDANCE

There were four (4) Audit Committee Meetings held during the year on 30.07.2020, 15.09.2020, 13.11.2020 and 13.02.2021.

Name	Designation	Category	Number of meetings during the year 2020-2021	
			Held	Attended
**T. Uma Sangeeta	Chairman	Independent, Non-Executive	3	3
Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	4	4
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	4	4
*Ms. Pottur Sujatha	Chairman	Independent, Non-Executive	1	1

\*\* appointed as chairperson on 30.07.2020 and resigned as 01.01.2021

\* appointed as chairperson on 01.01.2021

- C. Previous Annual General Meeting of the Company was held on 29.12.2020 and Ms. T. Uma Sangeeta, 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.
- devising a policy on diversity of board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- 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 13.02.2021.

Name	Designation	Category	Number of meetings during the year 2020-2021	
			Held	Attended
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	2	2
**T. Uma Sangeeta	Chairman	Independent, Non-Executive	1	1
Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	2	2
*Ms. Pottur Sujatha	Chairman	Independent, Non-Executive	1	1

\* appointed as chairperson on 01.01.2021

\*\* appointed as chairperson on 30.07.2020 and resigned on 01.01.2021

## 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, Clause 49 of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a Director other than a Managing Director or a whole-time Director or a nominee Director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the

Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;

- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
    - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
      - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
      - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
      - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age

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

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily

limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

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

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

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

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

#### **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.

(Rs. in lakhs)

<b>Name of the Director</b>	<b>Remuneration</b>	<b>Sitting fees</b>	<b>Number of shares held</b>
S. Murali Krishna Murthy	6.00	--	68844
G. Venkata Ramana change in designation from Managing Director to non Executive Director w.e.f 01.01.2021)	--	--	392836
S. Mohan Krishna Murthy	3.17	--	17167
S. Balaji Venkateswarlu	5.40	--	75732
S. Srinivas Kumar	5.40	--	118403
B. Satyanarayana Raju change in designation from WTD to non Executive Director w.e.f 01.01.2021)	--	--	238142
J. R. K. Panduranga Rao	--	0.00	--
B. Gopal Reddy	--	0.02	--
T. Uma Sangeetha (Resigned on 01.01.2021)	--	--	--
Mr. Murali Krishna Rayaprolu	--	0.01	--
Ms. Pottur Sujatha	--	0.00	--

#### **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 2020 to March 2021, one (1) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings was held on 13.02.2021.

**A. COMPOSITION AND ATTENDANCE FOR MEETINGS**

Name	Designation	Category	Number of meetings during the year 2020-2021	
			Held	Attended
Mr. J.R.K. Pandu Ranga Rao	Chairperson	Independent, Non-Executive	1	1
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	1	1
*Ms. T. Uma Sangeeta	Member	Independent, Non-Executive	-	-
Ms. Pottur Sujatha	Member	Independent, Non-Executive	1	1

\*\* appointed as member on 30.07.2020 and resigned on 01.01.2021

\* appointed as member on 01.01.2021

**B. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mr. Nitesh Kumar Sharma, Company Secretary of the Company is the compliance officer of the Company.

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-2021**

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2021
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

Mr. Nitesh Kumar Sharma, Company Secretary & Compliance officer, is the Secretary of all Board Committees.

**5. 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
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
2018-19	30.09.2019	11.30 A.M.	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana	Yes
2019-20	29.12.2020	11.30 A.M.	Video conference	No

- (a) whether any special resolutions passed in the previous three annual general meetings :  
Yes
- (b) whether any special resolution passed last year through postal ballot – details of voting pattern: No

**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**

During the year the following penalties has been imposed by the Exchange:

Sl. No	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company secretary, if any.
1	BSE	Non- compliance with provisions of Regulation 6(1) of SEBI (LODR) Regulations, 2015 – appointment of qualified company secretary cum compliance officer for the period 01.04.2020 to 23.07.2020	The Company was asked to pay the penalty of  Rs.1,10,920 including taxes towards the non-compliance	The Company has paid the said penalty. However BSE vide its email dated 16.04.2021 has waived off the said penalty on Company’s request.
2	NSE	Non- compliance with provisions of Regulation 6(1) of SEBI (LODR) Regulations, 2015 – appointment of qualified company secretary cum compliance officer for the period 01.04.2020 to 23.07.2020	The Company was asked to pay the penalty of Rs.1,10,920 including taxes towards the non-compliance	The Company has paid the said penalty.

**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.

Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

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

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

- The Chairman of the Company is a Non-Executive Chairman and hence the provisions for Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- The financial Statements are free from any Audit Qualifications.
- At present, other non-mandatory requirements have not been adopted by the Company.

**E. WEB LINKS**

Policy for determining material subsidiaries - <http://www.ortinlabsindia.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf>

Policy on dealing with related party transactions - <http://www.ortinlabsindia.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf>

**F. NON COMPLAINE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT**

The Company has complied with all the requirements relating to the Corporate Governance Regulation as per SEBI (LODR) Regulations, 2015.

- G.** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable.
- H.** None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.
- I.** The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH'). There were No complaints received during the period under review.
- J.** The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(c) to the SEBI Listing Regulations.
- K.** Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- L.** Commodity price risk and commodity hedging activities: Not Applicable

**M. RECOMMENDATIONS OF COMMITTEES**

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

**N. CERTIFICATE FROM PRACTICING COMPANY SECRETARY**
**O. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.**

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

**P. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015.**

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

**Q. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:**

Regulation	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24.	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

**R. 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.

**S. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2020-2021**

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, 2021 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

**T. CEO/ CFO Certification**

The Managing Director and CFO certification of the financial statements for the year 2020-2021 is provided elsewhere in this Annual Report.

**U. 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 firm and the total number of dematerialized shares held with NSDL and CDSL.

**V. 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.

**W. 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.

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

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

**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, English Newspaper and Regional Language Newspaper 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 are also posted on the Company`s website [www.ortinlabsindia.com](http://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.	
•	Date	28th December, 2021	
•	Time	11.00 A.M	
•	Venue of AGM	Video Conference	
•	Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March.	
•	Tentative Schedule for considering Financial Results:		
	For the Quarter ending June,2021	14.08.2021	
	For the Quarter ending September, 2021	13.11.2021	
	For the Quarter ending December,2021	January/ February,2022	
	For the Quarter/year ending March,2022	April/ May,2022	
•	Date of Book Closure	22.12.2021 to 28.12.2021	
•	Dividend Payment date	--	
•	Listing on Stock Exchanges	BSE Limited	NSE Limited
	Scrip Code	539287	ORTINLAB
•	ISIN Number for NSDL & CDSL	INE749B01020	

•	Payment of annual listing fees to stock exchanges	Yet To Be Paid To BSE & NSE, Where the shares of the company are listed.
•	Address for correspondence:	To be addressed to: M/s KFin Technologies 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.	Mr. Nitesh Kumar Sharma Company Secretary Ortin Laboratories Limited D.No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana
•	Registrars & Transfer Agents	M/s KFin Technologies Pvt. Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153
•	List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Since the Company has not issued any Debt Instruments or Fixed Deposit Programme, therefore company has not obtained any Credit Ratings during the Financial Year.
•	Total fees for all services paid by the listed entity to the statutory auditor.	Rs.1,00,000/-
•	The company is in 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 and NSE Limited 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 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 respects.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. K FinTechnologies 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 2021.

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 2020	22.50	6.82	--	--
May 2020	15.00	10.50	--	--
June 2020	19.49	10.55	--	--
July 2020	16.75	13.00	--	--
August 2020	24.50	15.80	--	--
September 2020	22.85	18.15	--	--
October 2020	23.20	18.50	--	--
November 2020	24.80	19.20	--	--
December 2020	30.90	22.00	--	--
January 2021	34.00	29.00	--	--
February 2021	--	--	--	--
March 2021	34.95	30.70	34.10	29.45

**D. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021**

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	12,75,155	15.68	--	--
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	12,75,155	15.68	--	--
(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	12,75,155	15.68	--	--
	(A)=(A)(1)+(A)(2)	12,75,155	15.68	--	--
(B)	Public Shareholding			--	--
(1)	Institutions	--	--	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	--	--	--	--
c.	Central Government/State Government(s)	--	--	--	--
d.	Venture Capital Funds	--	--	--	--
e.	Insurance Companies	--	--	--	--
f.	Foreign Institutional Investors	--	--	--	--
g.	Foreign Venture Capital Investors	--	--	--	--
h.	Foreign Companies	--	--	--	--
	Sub Total (B)(1)	--	--	--	--



Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(2)	Non-Institutions			--	--
a.	Bodies Corporate	285328	3.51	--	--
b.	Individuals			--	--
	i) Individual shareholders holding nominal share capital upto Rs.2 lakh	4720108	58.05	--	--
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1313293	16.15	--	--
c.	Any Others : -			--	--
	i) Non Resident Individuals	102320	1.26	--	--
	ii) Overseas Corporate Bodies	--	--	--	--
	iii) Trusts	--	--	--	--
	iv) Employees	--	--	--	--
	v) Clearing Members	435188	5.35	--	--
	vi) Foreign Nationals	--	--	--	--
	vii) NBFCs registered with RBI	-	-	--	--
	Sub Total (B)(2)	6856237	84.32	--	--
	Total Public Shareholding (B)=(B)(1)+(B)(2)	6856237	84.32	--	--
	Total (A)+(B)	<b>81,31,392</b>	<b>100</b>	--	--
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	Grand Total (A)+(B)+(C)	81,31,392	100	--	--

**E. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021**

<b>No. of equity Shares held</b>	<b>No. of Shareholders</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
<i>1 to 5000</i>	<i>6084</i>	<i>83.39</i>	<i>879384</i>	<i>10.81</i>
<i>5001 to 10000</i>	<i>507</i>	<i>6.95</i>	<i>399988</i>	<i>4.92</i>
<i>10001 to 20000</i>	<i>331</i>	<i>4.54</i>	<i>470123</i>	<i>5.78</i>
<i>20001 to 30000</i>	<i>151</i>	<i>2.07</i>	<i>363648</i>	<i>4.47</i>
<i>30001 to 40000</i>	<i>42</i>	<i>0.58</i>	<i>147398</i>	<i>1.81</i>
<i>40001 to 50000</i>	<i>34</i>	<i>0.47</i>	<i>158985</i>	<i>1.96</i>
<i>50001 to 100000</i>	<i>53</i>	<i>0.73</i>	<i>356453</i>	<i>4.38</i>
<i>10001 – 20000</i>	<i>38</i>	<i>0.52</i>	<i>537375</i>	<i>6.61</i>
<i>20001 and above</i>	<i>56</i>	<i>0.77</i>	<i>4818038</i>	<i>59.25</i>
<b>Grand Total</b>	<b>7296</b>	<b>100.00</b>	<b>8131392</b>	<b>100.00</b>

**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 INE749B01020. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

<b>Particulars</b>	<b>No. of Shares</b>	<b>% Share Capital</b>
NSDL	23,64,722	29.08
CDSL	56,80,606	69.86
Physical	86,064	1.06
Total	81,31,392	100.00

**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.

For **Vivek Surana & Associates**

**Sd/-**  
**Vivek Suarana**  
Proprietor

M. No. A24531, C.P. No: 12901  
UDIN: A024531C000546987

Place: Hyderabad  
Date : 30.06.2021

**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 2021 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**

Place: Hyderabad  
Date : 09/07/2021

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

Sd/-  
**S. Srinivas Kumar**  
CFO

**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, 2020, 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.

For **Vivek Surana & Associates**

Sd/-

**Vivek Suarana**

Proprietor

M. No. A24531, C.P. No: 12901

UDIN: A024531C000546987

Place: Hyderabad  
Date : 30.06.2021

**Annexure IV****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 2021, 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 2021, 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**

Financial Performance is discussed elsewhere in the Report.

**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**

Financial Performance is discussed elsewhere in the Report.

## **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.



**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

S.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), Wholetime Directors (S. Mohan Krishna Murthy, S. Srinivas Kumar) 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	Nil
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	92
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

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.

S. 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	S. Murali Krishna Murthy	Managing Director	Rs.50,000/- per Month	Managing Director	B.Sc.,	01.04.1996	61 Years	—	1,33,844 Shares 1.65%	—
2	S. Balaji Venkateswarlu	Director	Rs.45,000/- per Month	Director	---	01.01.2008	55 Years	---	1,53,132 Shares 1.88%	—
3	S. Srinivas Kumar	Director	Rs.45,000/- Per Month	Director	---	01.01.2008	53 Years	---	1,13,403 Shares 1.39%	—
4	S. Mohan Krishna Murthy	Director	Rs.26375/- Per Month	Director	---	01.04.1996	67 Years	---	13,616 Shares 0.17%	—
5	T. Srinivas Rao	Plant Manager	Rs.50,672/- per Month	Plant Manager	B.Com.,	01.04.1996	50 Years	---	5,144 Shares 0.06%	—
6	H. Rajasekhar	Production Manager	Rs.50,672/- per Month	Production Manager	M. Pharma	01.04.1996	50 Years	M/s. Sangroid Remedies	---	—
7	V. Krishna Veni	Q.C. Manager	Rs.34,650/- per Month	Q.C. Manager	M.Sc.,	01.04.2015	36 Years	M/s. Rite Aid Labs	---	---
8	D. Balaji Gupta	Asst. Production Manager	Rs.30,809/- per Month	Asst. Production Manager	M. Pharma	01.05.2012	48 Years	M/s. Ambuja Labs	---	—
9	S. Srinivas Rao	Distribution Manager	Rs.24,000/- per Month	Distribution Manager	B.Com.,	01.05.2012	50 Years	---	---	—
10	G. Surekha	Q.A. Manager	Rs.23,055/- per Month	Q.A. Manager	M.Sc.,	04.01.2020	33 Years	M/s. Trimax Bio Science	---	---

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Board of Directors of Ortin Laboratories Limited Report on the audit of the Standalone Financial Results

### Opinion

We have audited the accompanying standalone quarterly financial results of Ortin Laboratories Limited (the company) for the quarter and the year ended March 31, 2021 ('the Statement'), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended March 31, 2021.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

### Management's Responsibilities for the Standalone Financial Results

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this

statements that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the Directors of the company, as aforesaid.

In preparing the statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the 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 standalone financial results.

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 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) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 statement, including the disclosures and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We 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.

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.

For **Sathuluri & Co.**

Chartered Accountants

FRN No : 006383S

Sd/-

**(S.S. Prakash)**

Partner

M.No. 202710

Place : Hyderabad

Date : 09.07.2021

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of ORTIN LABORATORIES LIMITED for the year ended 31st March, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.  
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted 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.  
(a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.  
(b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.  
(c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. 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;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. 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  
FRN no : 006383S

Sd/-  
(S.S. Prakash)  
Partner  
M. No. 202710

Place : Hyderabad  
Date : 09.07.2021



## ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of ORTIN LABORATORIES LIMITED. ("The Company") as of 31 March 2021 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 2021, 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  
FRN no : 006383S

Sd/-  
**(S.S. Prakash)**  
Partner  
M. No. 202710

Place : Hyderabad  
Date : 09.07.2021

**Statement of Financial Position as at March 31, 2021**

(Amount in Rs.)

Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	1	143,766,454	224,516,883
(b) Right to use assets		-	-
(c) Capital work in progress		4,296,041	4,296,041
(d) Investment properties		-	-
(e) Good will		-	-
(f) Other intangible Assets		-	-
(g) Intangible Assets under Development		-	-
(h) Biological Assets other than Bearer Plants	-	-	-
(d) Financial assets		-	-
(i) Investments	2	159	696,306
(ii) Trade receivables	3	-	-
(iii) Loans & Advances	4	3,343,676	8,743,755
(vi) other Financial assets	5	-	-
(e) Deferred Tax Asset (Net)	6	-	-
(f) Other non-current asset	7	-	2,804,354
<b>Total non-current assets (A)</b>		<b>151,406,330</b>	<b>241,057,339</b>
<b>2 Current assets</b>			
(a) Inventories	8	18,317,422	499,006,000
(b) Financial assets			
(i) Investments	2	-	-
(ii) Trade receivables	3	39,147,741	371,528,742
(iii) Cash and cash equivalents	9	251,346	9,523,972
(iv) Bank Balances other than (iii) above		1,509,330	15,457,823
(v) Loans	4	-	-
(iv) other financial assets	5	-	3,495,112
(c) Current Tax Asset (Net)		-	-
(d) Other current assets	10	2,026,726	25,108,833
<b>Total current assets (B)</b>		<b>61,252,565</b>	<b>924,120,482</b>
Non Current Assets Classified as Held for Sale ( C)	11	-	-
<b>Total assets (A+B+C)</b>		<b>212,658,895</b>	<b>1,165,177,821</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	12	81,313,920	169,404,000
(b) Other equity	13	32,241,199	68,755,177
<b>Total equity (A)</b>		<b>113,555,119</b>	<b>238,159,177</b>

(Amount in Rs.)

Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings (secured & unsecured loan sales tax defer.	14	14,417,561	49,025,185
(ii) Trade Payables	15	-	-
(iii) Other Financial Liabilities	16	-	-
(b) Long term provisions	17	1,783,829	14,340,312
(c) Other non Current Liabilities	18	20,650	20,650
(d) Deferred tax Liabilities(Net)	6	4,021,491	25,362,632
<b>Total non-current liabilities (B)</b>		<b>20,243,531</b>	<b>88,748,779</b>
<b>(ii) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	55,000,000	146,668,814
(ii) Trade payables	15	13,383,981	600,014,579
(iii) Other financial liabilities	16	-	59,974,190
(b) Short term provisions	17	2,470,593	8,000,398
(c) Other current liabilities	18	8,005,670	23,611,883
(d) Current Tax Liabilities (net)	6	-	-
<b>Total current liabilities (C)</b>		<b>78,860,244</b>	<b>838,269,864</b>
<b>Total liabilities (D+B+C)</b>		<b>99,103,776</b>	<b>927,018,643</b>
<b>Total equity and liabilities (A+D)</b>		<b>212,658,894</b>	<b>1,165,177,820</b>

The notes are an integral part of the financial statements

As per our Report of even date

**For SATHULURI & CO.**

Chartered Accountants

Sd/-

**S.S. Prakash**

Partner

M. No. 202710

Place: Hyderabad

Date :09/07/2021

For and on the Behalf of Board of Directors

**ORTIN LABORATORIES LIMITED**

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Sd/-

**Nitesh Kumar Sharma**

Company Secretary

Sd/-

**S. Mohan Krishna Murthy**

Whole- Time Director

DIN: 00540705

Sd/-

**S. Srinivas Kumar**

Director cum CFO

**Statement of Profit and Loss and Other Comprehensive Income  
for Year Ended 31.03.2021**

(Amount in Rs.)

Particulars	Note No.	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
<b>Continuing Operations</b>			
I Revenue from operations	19	81,674,385	1,973,909,990
II Other income	20	500,852	1,880,913
III Net gain on de-recognition of financial assets at amortised cost	21	-	-
IV Net gain on reclassification of financial assets		-	-
<b>V Total income</b>		<b>82,175,237</b>	<b>1,975,790,904</b>
<b>VI Expenses</b>			
(a) Cost of material Consumed	22	40,781,626	1,651,497,791
(b) Purchase of Stock in Trade		-	-
(c) Changes in stock of finished goods, work-in progress and stock-in-trade	23	(1,279,739)	(105,278,798)
(d) Employee benefits	24	10,522,080	53,568,920
(e) Finance cost	25	8,734,941	32,084,137
(f) Depreciation expense	26	2,854,058	19,550,114
(g) Impairment expenses/losses		-	-
(h) Net loss on de-recognition of financial assets at amortized cost		-	-
(i) Net loss on reclassification of financial assets		-	-
(j) Other expenses	27	19,197,768	317,183,249
<b>Total expenses (VI)</b>		<b>80,810,735</b>	<b>1,968,605,413</b>
<b>VII Profit/(loss) before Share of profit / (loss) of associates/ joint ventures, exceptional items and tax (V - VI)</b>		<b>1,364,502</b>	<b>7,185,491</b>
VIII Share of profit/(loss) of associates		-	-
Share of profit/(loss) of joint ventures		-	-
<b>IX Profit/(Loss) before exceptional items and tax</b>		<b>1,364,502</b>	<b>7,185,491</b>
X Exceptional items		-	-
XI Profit before Tax		1,364,502	7,185,491
XII Tax expense :			
a. Current tax		569,811	2,224,917
b. Deferred tax		(8,659,825)	2,267,902
c. Previous Year		-	8,331,942
		<b>(8,090,014)</b>	<b>12,824,761</b>
<b>XIII Profit/(loss) for the year from continuing operations (XI-XII)</b>		<b>9,454,516</b>	<b>(5,639,270)</b>
<b>(XI-XII) Discontinued Operations</b>			
XIV Profit/(loss) from discontinued operations		-	-
XV Tax Expense of discontinued operations		-	-
<b>XVI Profit/(loss) from discontinued operations (XIV +XV)</b>		<b>-</b>	<b>-</b>

(Amount in Rs.)

Particulars	Note No.	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
<b>XVII Profit/(loss) for the year (XIII+XVI)</b>		<b>9,454,516</b>	<b>(5,639,270)</b>
<b>XIX Other comprehensive income (OCI)</b>			
A (i) Items that will not be recycled to profit or loss		-	(9,542,443)
(a) Others (gratuity and leave encashment excess provision reversal)		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	2,401,833
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>(7,140,610)</b>
<b>IX. Total comprehensive income for the year (V+ VI)</b>		<b>9,454,516</b>	<b>(12,779,880)</b>
<b>X. Earning per equity share (for Continuing Operations)</b>			
(i) Basic		1.16	(0.33)
(ii) Diluted		1.16	(0.33)
<b>XI. Earnings per equity share (for discontinued operation):</b>			
(i) Basic		-	-
(ii) Diluted		-	-
<b>XII. Earnings per equity share (for Continued and discontinued operation):</b>			
(i) Basic		1.16	(0.33)
(ii) Diluted		1.16	(0.33)

The notes are an integral part of the financial statements

As per our Report of even date

**For SATHULURI & CO.**

Chartered Accountants

Sd/-

**S.S. Prakash**

Partner

M. No. 202710

Place: Hyderabad

Date :09/07/2021

For and on the Behalf of Board of Directors

**ORTIN LABORATORIES LIMITED**

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Sd/-

**Nitesh Kumar Sharma**

Company Secretary

Sd/-

**S. Mohan Krishna Murthy**

Whole- Time Director

DIN: 00540705

Sd/-

**S. Srinivas Kumar**

Director cum CFO

**Cash Flow Statement for Year Ended 31.03.2021**

(Amount in Rs.)

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax and extraordinary items	1,364,906	7,185,491
<b>Adjustment for :</b>		
Finance costs recognised in profit or loss	8,734,941	32,084,137
Depreciation and amortisation of non-current assets	2,854,058	19,550,114
Investment at fair value	-	143,695
Provision for gratuity	-	2,179,225
Provision for leave encashment	-	127,558
<b>Operating Profit before Working Capital Changes</b>	<b>12,953,906</b>	<b>61,270,220</b>
<b>Movement for Working Capital:</b>		
(Increase)/ decrease in trade and other receivables	332,381,001	6,775,258
(Increase)/decrease in inventories	480,688,578	(129,436,000)
(Increase)/decrease in other financial assets	8,895,191	44,279,888
(Increase)/decrease in other assets	23,082,107	(25,108,833)
Increase/ (Decrease) in trade and other payables	(586,630,598)	124,049,579
Increase/(decrease) in other financial liabilities	(59,919,005)	(26,800,810)
Increase/(decrease) in provisions	(18,306,097)	(4,437,434)
(Decrease)/increase in other current liabilities	(15,606,215)	19,366,884
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in Other non Current Assets	2,804,354	641,646
(Decrease)/Increase in Other non Current Liabilities	-	(29,239,350)
<b>Changes in non current assets and liabilities</b>		
Changes in Working Capital	167,389,316	(19,909,172)
<b>Cash generated from operations</b>	<b>180,343,222</b>	<b>41,359,049</b>
- Income taxes paid	-	(8,331,942)
<b>Net Cash flow before extraordinary items</b>	<b>180,343,222</b>	<b>33,027,107</b>
- Extraordinary & Prior period items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>180,343,222</b>	<b>33,027,107</b>

(Amount in Rs.)

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments to acquire fixed assets	-	(31,201,997)
Changes in Capital Work in Progress	-	1,044,959
Changes in investments	695,742	(774,755)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>695,742</b>	<b>(30,931,793)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	(69,193,080)	-
(Repayment)/ Proceeds of borrowings	(34,607,624)	30,907,185
Interest paid	(8,734,941)	(32,084,137)
Increase/(Decrease) short term borrowings	13,948,493	(12,134,823)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(98,587,153)</b>	<b>(13,311,775)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>82,451,811</b>	<b>(11,216,461)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(137,200,465)</b>	<b>(125,984,004)</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the year as on 31.03.2021</b>	<b>(54,748,654)</b>	<b>(137,200,465)</b>
<b>Cash and Cash Equivalents Cash flow purpose</b>		
Cash and Cash Equivalents/ Bank Balances	251,346	9,523,972
Less: OD/CC accounts forming part of Cash & Cash Equivalents	55,000,000	146,724,437
<b>Cash and Cash Equivalents/ Bank Balances</b>	<b>(54,748,654)</b>	<b>(137,200,465)</b>

The notes are an integral part of the financial statements

As per our Report of even date

**For SATHULURI & CO.**

Chartered Accountants

Sd/-

**S.S. Prakash**

Partner

M. No. 202710

Place: Hyderabad

Date :09/07/2021

For and on the Behalf of Board of Directors

**ORTIN LABORATORIES LIMITED**

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Sd/-

**Nitesh Kumar Sharma**

Company Secretary

Sd/-

**S. Mohan Krishna Murthy**

Whole- Time Director

DIN: 00540705

Sd/-

**S. Srinivas Kumar**

Director cum CFO



**Statement of Changes in Equity For the year ended 31 March 2021**
**a. Equity share capital**

(Amount in Rs.)

	<b>Amount</b>
<b>Balance as at the 31 March 2019</b>	<b>169,404,000</b>
Changes in equity share capital during 2019-20	-
<b>Balance as at the 31 March 2020</b>	<b>169,404,000</b>
Changes in equity share capital during 2020-21	88,090,080
<b>Balance as at the 31 March 2021</b>	<b>81,313,920</b>

Note: 1) Unit-II of the Company Demerged as per the NCLT Oder Dt. 29.12.2020 effect from 01.04.2020. Accordingly the Authorised and paidup value of share capital has been adjusted in the Ratio of 48:52.

	Reserves and surplus				Items of Other comprehensive income (OCI)	Total
	Share Forfeiture Reserve	Capital Reserve	Securities Premium Reserve	Retained earnings	Others	
<b>Balance at 31 March 2019</b>	<b>6,452,500</b>	<b>2,122,500</b>	-	<b>72,960,057</b>	-	<b>81,535,057</b>
Profit or loss	-	-	-	(12,779,880)	-	(12,779,880)
Add: Other comprehensive income (net of tax)	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>6,452,500</b>	<b>2,122,500</b>	-	<b>60,180,177</b>	-	<b>68,755,177</b>
Transactions with owners in their capacity as owners	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>6,452,500</b>	<b>2,122,500</b>	-	<b>60,180,177</b>	-	<b>68,755,177</b>
Profit or loss	-	-	-	9,454,516	-	9,454,516
Less: Transferred on Demerger	-	-	-	43,111,703	-	43,111,703
Add: Revaluation Reserve (Land)	-	108,038,385	-	-	-	108,038,385
Less: Goodwill Written off	-	110,160,885	-	734,291	-	110,895,176
Other comprehensive income (net of tax)	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>6,452,500</b>	-	-	<b>25,788,699</b>	-	<b>32,241,199</b>
Transactions with owners in their capacity as owners	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>6,452,500</b>	-	-	<b>25,788,699</b>	-	<b>32,241,199</b>

Note: 1) Unit-II of the Company Demerged as per the NCLT Oder Dt.29.12.2020 effect from 01.04.2020. Accordingly the reserves and surplus have been adjusted.

## 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 IndAS Schedule III of Companies Act, 2013.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

#### **Ind AS 116, Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### **Amendment to Ind AS 12 ‘Income Taxes’**

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’ with effect from April 1, 2019. 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. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

#### **Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:**

The 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 from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### **Amendment to Ind AS 19 ‘Employee Benefits’**

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 is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

#### **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. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.,

**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.

**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.

- f. 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 Preference Shares and Unquoted trade Investments*

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

*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 AS103 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).

*Derivative financial instruments and hedging activities*

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at future date. Derivatives are recognised at fair value at the end of reporting period and are subsequently re-measured at their fair value at each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- a. hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- b. hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

**(a) Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**(b) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and

qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

#### Fair value measurement

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### **3) Inventories**

Inventories consist of raw materials, 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.

#### **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**

#### **Provisions**

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

#### **Contingent liabilities**

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

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic

benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 8) Revenue Recognition

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

Revenue is recognized, when the company Substantially satisfies its performance obligation While 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.

### **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.

## 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**

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

**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.

**14) Impact of COVID – 19 Key Accounting Judgements, Estimates and Assumptions**

The threats posed by the corona virus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in an industry that is considered essential in India and other countries, its operations were continuing during lockdown by ensuring appropriate safety measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at

the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic

**i. Depreciation and amortisation**

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**ii. Employee Benefits**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. 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. Inventories**

The method of valuation of Inventories has been stated in Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realisable value of inventory. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

**iv. Trade Receivables**

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables.

The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

**Notes annexed to and forming part of the Financial Statements**  
**Note 1: a) Property, Plant Equipment**

(Amount in Rs.)

Particular	Land	Factory Building	Plant & Machinery	Testing Equipment	Furniture & Fixtures	Electrical Fittings	Vehicles	Other Assets	Computer	ModifKnor	Generator Set	Air Conditioner	Total
Cost/Demerd Cost:													
As at March 2020	4,131,615	35,319,615	23,277,557	2,026,438	2,349,679	1,402,468	4,659,740	2,073,929	3,489,542	205,400	311,801	1,665,358	80,911,142
Additions	108,038,385	-	68,513	-	-	-	35,839	-	76,271	-	-	-	108,219,008
Less: Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Transferred on demerger	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2021	112,170,000	35,319,615	23,346,070	2,026,438	2,349,679	1,402,468	4,695,579	2,073,929	3,565,813	205,400	311,801	1,663,358	189,130,150
Depreciation/Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2020	-	14,160,894	12,949,600	1,125,921	2,302,373	1,402,468	3,559,695	1,765,000	3,477,314	205,400	311,801	1,249,172	42,509,638
Depreciation for the year	-	1,176,290	1,039,144	88,465	31,512	-	282,287	104,900	24,156	-	-	107,304	2,854,058
Less: Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Transferred on demerger	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2021	-	15,337,184	13,988,744	1,214,386	2,333,885	1,402,468	3,841,982	1,869,900	3,501,470	205,400	311,801	1,356,476	45,363,696
Net Book Value													
As at March 2021	112,170,000	19,982,431	9,357,326	812,052	15,794	-	853,597	204,029	64,343	-	-	306,882	143,766,454
As at March 2020	5,356,926	46,299,672	152,236,264	4,020,706	2,296,192	1,223,876	10,748,237	1,400,624	419,224	-	-	515,161	224,516,881

Note: 1) Unit-I of the Company Demerged as per the NCLT Order Dt.29.12.2020 and resulted as Vineet Laboratories Ltd with effect from 01.04.2020 in the Ratio of 48:52

2) Addition accounted in Land is made on account of Revaluation of land based on valuation report. The Market Value of land as per the report is Rs.11,21,70,000

**Note 2 : Investments**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>ASSETS</b>		
<b>1 Non Current:</b>		
1 Investments		
In quoted Mutual Funds	-	696,147
In Quoted Equity	159	159
2 Investment in unquoted shares of subsidiaries:		
3 Investment in unquoted shares of Others:		
4 investment in Joint Ventures	-	-
5 investment in Preference Shares	-	-
6 Investment in partnerships:	-	-
<b>Total</b>	<b>159</b>	<b>696,306</b>
Notes:		
Quoted		
Aggregate Book Value	-	
Aggregate Market Value	159	696,306
un quoted		
Aggregate Carrying Value		
<b>Current:</b>		
1 investments in Mutual Funds		
<b>Quoted</b>		
Aggregate Book Value	-	-
Aggregate Market Value	-	-
Un quoted		
Aggregate Carrying Value	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 3: Trade Receivables**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non Current :</b>		
<b>A Secured and considered good:</b>		
- From Related party	-	-
- From Others	-	-
<b>B Unsecured and considered good:</b>		
- From Related party	-	-
- From Others	-	-
<b>C Doubtful :</b>		
- From Related party	-	-
- From Others	-	-
<b>Less: allowance for doubtful debts</b>	-	-
<b>Total</b>	-	-
<b>Current :</b>		
<b>A Secured and considered good:</b>		
- From Related party	-	-
- From Others	-	-
<b>B Unsecured and considered good:</b>		
- From Related party	-	-
- From Others	39,147,741	371,528,742
<b>C Doubtful:</b>		
- From Related party	-	-
- From Others	-	-
<b>Less: allowance for doubtful debts</b>	-	-
<b>Total</b>	<b>39,147,741</b>	<b>371,528,742</b>

**Note 4: Loans & Advances**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non Current :</b>		
<b>A Loans :</b>		
1 To related parties	-	-
2 Trade and Other Deposits	3,343,676	8,743,755
3 to other body corporate	-	-
4 to employees	-	-
5 Security Deposits:		
6 Interest Receivables		
7 Less: allowances for Doubtful loans	-	-
<b>Total Loans</b>	<b>3,343,676</b>	<b>8,743,755</b>

**Note 4: Loans & Advances (Contd...)**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Notes:</b>		
1 Considered good	3,343,676	8,743,755
2 Considered Doubt full, Provided:	-	-
3 To related parties	-	-
4 to other body corporate	-	-
5 to employees	-	-
<b>Current:</b>		
<b>A Loans :</b>		
1 To related parties	-	-
2 Deposits with Others	-	2,385,000
3 Interest Receivable	-	1,110,112
4 Security Deposits:	-	-
5 Less: allowances for Doubtful loans	-	-
<b>Total</b>	<b>-</b>	<b>3,495,112</b>
<b>Notes:</b>		
1 Considered food	-	3,495,112
2 Considered Doubt full, Provided:	-	-
3 To related parties	-	-
4 to other body corporate	-	-
5 to employees	-	-

**Note 5: Other Financial Assets**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non Current</b>		
1 Export benefits and entitlements	-	-
2 Insurance claims receivable	-	-
3 Advances towards equity/preference share capital	-	-
<b>4 Derivative instruments:</b>		
a Derivative instruments at fair value	-	-
b Cash flow hedges	-	-
c Foreign exchange forward contracts	-	-
<b>Total Derivative Instruments at fair value through OCI</b>	<b>-</b>	<b>-</b>
<b>5 Derivative instruments at fair value through profit or loss through OCI:</b>		
Derivatives not designated as hedges	-	-
Foreign exchange forward contracts	-	-
Embedded derivatives	-	-
<b>Total derivative instruments at fair value through profit or loss</b>	<b>-</b>	<b>-</b>
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>

**Note 5: Other Financial Assets (Contd...)**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Current</b>		
1 Export benefits and entitlements	-	-
2 Insurance claims receivable	-	-
3 Advances towards equity/preference share capital	-	-
4 Derivative instruments:		
a Derivative instruments at fair value	-	-
b Cash flow hedges	-	-
c Foreign exchange forward contracts	-	-
<b>Total Derivative Instruments at fair value through OCI</b>	-	-
<b>5 Derivative instruments at fair value through profit or loss through OCI</b>		
Derivatives not designated as hedges	-	-
Foreign exchange forward contracts	-	-
Embedded derivatives	-	-
<b>Total derivative instruments at fair value through profit or loss</b>	-	-
<b>Total Financial Assets</b>	-	-

**Note 6: Deferred Tax Assets (Net)**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>(i) Deferred Tax Assets</b>		
Opening Balance		
Adjustment / Credit During the Year		
Closing Balance	-	-
<b>(ii) Deferred tax Liability</b>		
Opening Balance	12,681,316	25,362,632
Adjustment / Credit During the Year	(8,659,825)	-
Closing Balance	4,021,491	25,362,632
<b>(iii) Deferred Tax Asset / Liability Net (i-ii)</b>	<b>4,021,491</b>	<b>(25,362,632)</b>

**Note 7: Other Non Current Assets**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>A Other Non-Current Assets</b>		
Capital Advances	-	-
Advances other than capital advances		1,935,755
<b>Security Deposits:</b>		
Government Authorities - Electricity Dept		
- Advances to Related Parties	-	-
- Other Advances	-	-
Others (TDS Receivable)	-	868,599
<b>Total of Other Non-current Assets</b>	<b>-</b>	<b>2,804,354</b>

**Note 8: Inventories**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
1 Raw Material	9,048,163	299,268,000
2 Packing Material	-	-
3 Work In Process	-	-
4 Stock in Trade	-	-
5 Finished Goods	9,269,259	199,738,000
6 Consumables & Stores and Spares	-	-
7 Property under Development	-	-
<b>Total Inventories</b>	<b>18,317,422</b>	<b>499,006,000</b>

**Notes 8.1: Disclosure of Inventories pledged as security for liabilities as follows**

Particulars	Carrying Amount Rs.	Security Pledged Against
<b>A As at 31st March 2021</b>		
a Raw Material	-	-
b Work In Process	-	-
c Finished Goods	-	-
<b>B As at 31st March 2020</b>		
a Raw Material	-	-
b Work In Process	-	-
c Finished Goods	-	-
<b>Total Inventories</b>	<b>-</b>	<b>-</b>

**Note 9: Cash and Cash Equivalents**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
1 Cash and Cash Equivalents (Note 9.1)	251,346	9,523,972
2 Bank Balances other than Cash and Cash Equivalents	1,509,330	15,457,823
<b>Total Cash and Cash Equivalents</b>	<b>1,760,676</b>	<b>24,981,795</b>

**Notes:**

1. In the Balance sheet Cash comprises cash and demand deposits.
2. Cash equivalents are held for the purpose of short term cash commitments rather than for investment or other purpose

**Note 9.1: Cash and Cash Equivalents**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Bank and Cash Balances</b>		
1 On Current Accounts	209,514	4,477,003
2 Fixed Deposits with maturity less than 3 months	-	-
3 Cheques / drafts on hand	-	-
4 Cash on hand	41,832	5,046,969
<b>Total Cash and Cash Equivalents</b>	<b>251,346</b>	<b>9,523,972</b>



**Note 10: Other Current Assets**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Other Current Assets</b>		
1 <b>Capital Advances:</b>	-	-
Advances to Capital Goods	-	-
Unsecured (Considered good)	-	-
2 <b>Advances other than capital advances:</b>		
3 Security Deposits	-	-
4 Advances to Related Parties	-	-
Bank Deposits	-	-
5 <b>Other Advances:</b>		
Advance Tax	-	-
Advances-others	1,147,885	24,094,833
GST ITC	-	(25,000)
TDS Receivable	878,841	433,000
Income Tax Refund	-	37,000
Creditor for Goods	-	569,000
<b>Total of Other current Assets</b>	<b>2,026,726</b>	<b>25,108,833</b>

**Note 11: Non Current Assets Classifieds as Held for Sale**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Curret Assets</b>		
1 Plant, Property and Equipment	-	-
2 Others	-	-
<b>Total Non Current Assets Classified as Held for Sale</b>	<b>-</b>	<b>-</b>

**Note 12: Equity share capital**
**a. Equity share capital**

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Authorised</b>				
Equity shares of Rs.10/- each	9,600,000	96,000,000	20,000,000	200,000,000
<b>Issued</b>				
Equity shares of Rs.10/- each	8,131,392	81,313,920	16,940,400	169,404,000
<b>Subscribed and Paid-up</b>				
Equity shares of Rs.10/- each fully paid-up	8,131,392	81,313,920	16,940,400	169,404,000
<b>Total</b>	<b>8,131,392</b>	<b>81,313,920</b>	<b>16,940,400</b>	<b>169,404,000</b>

**Note 12: Equity share capital**
**b. Reconciliation of the number of equity shares outstanding and the amount of share capital**

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Equity Shares</b>				
<b>Issued and Subscribed:</b>				
Equity shares				
Shares outstanding at the beginning of the year	16,940,400	169,404,000	16,940,400	169,404,000
Add: Issued During the year for cash	-	-	-	-
Add: Shares issued at ESOP trust	-	-	-	-
Less: Transferred in Demerger Process	8,809,008	88,090,080	-	-
Shares outstanding at the end of the year	<b>8,131,392</b>	<b>81,313,920</b>	<b>16,940,400</b>	<b>169,404,000</b>

Note: Unit-II of the Company Demerged as per the NCLT Oder Dt. 29.12.2020 and resulted as Vineet Laboratories Ltd with effect from 01.04.2020 in the Ratio of 48:52

**c. Shares in the company held by each shareholder holding more than 5 percent**

Name of the Shareholder	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
-----	-	-	-	--
-----	-	-	-	-
-----	-	-	-	-
<b>Total</b>	-	-	-	-

**i. Dividend Declaration Details**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Cash Dividend Declared for the Year 31 march 2020	-	-
Dividend Distribution Tax on fianl Dividend	-	-
Interim Dividend for the year ended on 31March 2021	-	-
<b>Total</b>	-	-
Proposed Dividend on Equity Shares		
Final Dividend for the year ended 31 March 2021	-	-
Distribution Tax on Proposed Dividend	-	-
<b>Total</b>	-	-

**Note 13: Other equity**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>A Share Forfeiture Reserve:</b>		
Balance, at the beginning of the year	6,452,500	6,452,500
Add: Addition During the Year		
<b>Balance at the end of the year</b>	<b>6,452,500</b>	<b>6,452,500</b>
<b>Capital Reserve:</b>		
Balance at the beginning of the year	2,122,500	2,122,500
Add: Addition During the Year	108,038,385	-
Less: Deletion(Goodwill Written off)	110,160,885	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>2,122,500</b>
<b>Securities Premium:</b>		
Balance at the beginning of the year		
Add: Securities Premium on shares issued during the year		
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	60,180,177	72,960,057
Less: Transferred on demerger	43,111,703	-
Add: Addition During the Year	9,454,516	(12,779,880)
Less: Deletion (Goodwill Written off)	734,291	-
<b>Balance at the end of the year</b>	<b>25,788,699</b>	<b>60,180,177</b>
<b>Note:</b>		
<b>Other Comprehensive Income</b>		
Actuarial gain or loss on employee defined benefit plan		
Opening		
Add: During the year	-	
Closing	-	
<b>Total other Equity</b>	<b>32,241,199</b>	<b>68,755,177</b>
<b>B Other Reserves</b>		
<b>Debentures Redemption Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Capital Redemption Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Investment Fluctuation Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total Other Reserves</b>	<b>-</b>	<b>-</b>

**Note 14: Borrowings**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current:</b>		
1 Bonds -	-	
2 Debentures(Secured)	-	-
<b>3 Term loans:</b>		
<b>i Secured - Loans</b>		
- Term Loans from banks	2,514,288	19,407,038
- Vehicle Loans from banks	456,383	6,567,652
Sales Tax Loan from Govt. of A.P	1,115,966	1,115,966
<b>ii Vehicle Loans</b>		
- From banks / Institutions	-	-
<b>iii Deferred payment liabilities</b>	-	-
<b>iv Other Loans</b>		
- Finance lease obligations	-	-
- Preference shares	-	-
<b>v Interest-free sales Tax deferral loan from state Govt.</b>	-	-
<b>4 Unsecured Loans</b>		
i Loans from Directors & Their Relatives	10,205,924	11,694,972
ii Loans from others	125,000	10,239,557
<b>Total</b>	<b>14,417,561</b>	<b>49,025,185</b>
<b>Current:</b>		
1 Bonds	-	-
2 Debentures(Secured)	-	-
<b>3 Term / Working capital loans:</b>		
i From banks	55,000,000	146,668,814
ii Working Capital		
iii Deferred payment liabilities	-	-
iv Other Loans	-	-
<b>v - Finance lease obligations</b>	-	-
<b>vi - Preference shares</b>	-	-
<b>vii Interest-free sales Tax deferral loan from state Govt.</b>	-	-
<b>4 Unsecured Loans</b>	-	-
i Loans from Individuals other than Banks	-	-
<b>Total</b>	<b>55,000,000</b>	<b>146,668,814</b>

**Note 15: Trade Payables**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current:</b>		
<b>A Trade payables</b>		
Dues to Micro, Small and Medium Enterprises	-	-
Others	-	-
<b>Total</b>	-	-
<b>Current:</b>		
<b>A Trade payables</b>		
Dues to Micro, Small and Medium Enterprises	-	-
Others	13,383,981	600,014,579
<b>Total</b>	<b>13,383,981</b>	<b>600,014,579</b>

**Note:** Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

As per the information provided / submitted by the Company, there are no dues to Micro, Small and Medium Enterprises covered under ('MSMED' Act, 2006).

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Principal amount remaining unpaid to any supplier as at the end of the year.	-	-
Amount of interest due remaining unpaid to any supplier as at the end of the year	-	-
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
Amount of interest accrued and remaining unpaid at the end of year.	-	-
Amount of further interest remaining due and payable even in the succeeding year	-	-

**Note 16: Other Financial Liabilities**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non Current:</b>		
1 Investor education protection fund	-	-
4 Others:		
i Retention money for capital projects	-	-
ii Payable towards capital expenditure	-	-
iii Payable towards Services received	-	-

**Note 16: Other Financial Liabilities (Contd...)**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
iv Payable towards other expenses	-	-
v Interest accrued but no due on borrowings	-	-
vi Advance From Ramraj on sale of land	-	-
<b>Total</b>	-	-
<b>Current</b>		
1 Current Maturities of Long Term Borrowings	-	-
2 Current Maturities of finance lease obligation	-	-
3 Investor education protection fund	-	-
<b>4 Others:</b>		
i Retention money for capital projects	-	-
ii Payable towards capital expenditure	-	-
iii Payable towards Services received	-	-
iv Payable towards other expenses	-	-
v Interest accrued but no due on borrowings	-	-
vi Advance From Ramraj on sale of land	-	-
vii Bills Payable		59,974,190
<b>Total</b>	-	<b>59,974,190</b>

**Note 17: Provisions**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non Current:</b>		
a) Provision for Employee Benefits		
For Provident Fund	-	-
For gratuity	875,797	10,539,374
Provision for compensated absences	908,032	3,800,938
b) Others		
Service Warranties	-	-
Statutory Dues	-	-
Legal Claims	-	-
<b>Total</b>	<b>1,783,829</b>	<b>14,340,312</b>
<b>Current:</b>		
a) Provision for Employee Benefits		
For Provident Fund	-	-
For gratuity	2,250,783	8,000,398
Provision for compensated absences	-	-
b) Others		
Service Warrantees	-	-
Statutory Dues	-	-
Legal Claims	-	-
Income Tax	219,810	-
<b>Total</b>	<b>2,470,593</b>	<b>8,000,398</b>

**Note 18 : Other Liabilities**

(Amount in Rs.)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>I Non Current:</b>		
a) Revenue Received in Advance	-	-
Advances From customers	-	-
Security Deposit	20,650	20,650
<b>Total</b>	<b>20,650</b>	<b>20,650</b>
<b>II Current</b>		
a) Revenue Received in Advance	-	-
Advances From customers	-	-
<b>b) Other Payables</b>		
<b>i) Statutory Dues Payable:</b>		
Provident fund payable	-	-
ESI contribution payable	-	-
Interest Payable on statutory dues	-	-
Duties and Taxes payable	-	-
TDS Payable	-	-
Others	-	-
<b>ii) Other Than Statutory Payables:</b>		
Payable to Unit II	1,455,462	-
Bills Payables	-	-
Directors Remuneration Payable	4,588,196	4,588,172
Outstanding Liability for Expenses	1,602,525	15,048,747
Other Sundry Creditors	359,487	3,974,964
<b>Total</b>	<b>8,005,670</b>	<b>23,611,883</b>

**Note 19 : Revenue from operations**

Particulars	For the year ended March 2021	For the year ended March 2020
<b>A. Revenue from contracts with customers disaggregated based on nature of product or services</b>		
<b>Revenue from Sale of Products</b>		
a) Sale of Manufactured Goods	-	-
(i) Domestic	81,674,385	1,959,759,171
(ii) Exports	-	1,846,517
b) Stock in Trade	-	-
<b>Net Revenue</b>	<b>81,674,385</b>	<b>1,961,605,688</b>
<b>Revenue from Sale Service</b>		
a) Software services	-	-
b) Other Services	-	12,304,302
<b>Sub total</b>	<b>-</b>	<b>12,304,302</b>

**Note 19 : Revenue from operations (Contd...)**

(Amount in Rs.)

Particulars	For the year ended March 2021	For the year ended March 2020
<b>A. Revenue from contracts with customers disaggregated based on nature of product or services</b>		
<b>Other Operating Revenues</b>		
a) Export Incentives	-	-
b) Royalty Received		
From subsidiaries and associates	-	-
From others	-	-
c) Scrap Sale	-	-
d) Job work Receipts		-
e) Others	-	
<b>Sub total</b>	-	-
<b>Total Revenue from Operations</b>	<b>81,674,385</b>	<b>1,973,909,990</b>
<b>B. Disaggregated revenue information</b>		
<b>Revenue from contracts with customers disaggregated based on geography</b>		
a) Domestic	81,674,385	1,973,909,990
b) Export	-	-
c) Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	<b>81,674,385</b>	<b>1,973,909,990</b>
Less: Discount	-	-
Less: Returns	-	-
Less: Price Concession	-	-
Less: Incentives and performance bonus	-	-
Less: Goods and Service Tax	-	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>81,674,385</b>	<b>1,973,909,990</b>

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.



**Note 20: Other Income**

(Amount in Rs.)

Particulars	For the year ended March 2021	For the year ended March 2020
<b>Interest income</b>		
a) Financial assets mandatorily measured at fair value through profit or loss	-	-
b) Interest income on financial assets fair valued through other comprehensive income		
- Non Convertible debentures	-	-
c) Financial assets carried at amortised cost	-	-
Tax free bonds and government bonds	-	-
Deposits with banks and others	-	-
d) Other Interest	496	1,519,494
<b>Sub total (i)</b>	<b>496</b>	<b>1,519,494</b>
<b>Dividend Income</b>		
a) Investments mandatorily measured at fair value through profit or loss	-	-
b) Equity investment designated at fair value through other comprehensive income	-	-
<b>Sub total (ii)</b>	-	-
Unwinding of discount on security deposits (iii)	-	-
Government grants (iv)	-	-
Profit on Foreign Exchange Fluctuation (v)	-	(113,837)
Discount Received (vi)	28	18,515
Other income (vii)	500,328	456,741
<b>Total (i+ii+iii+iv+v+vi+vii)</b>	<b>500,852</b>	<b>1,880,913</b>

**Note 21: Net gain on de-recognition of financial assets at amortised cost**

Particulars	For the year ended March 2021	For the year ended March 2020
<b>Profit on sale of land and buildings</b>	-	-
Written off of liability	-	-
<b>Total Gain</b>	-	-

**Note 22: Cost of Material Consumed**

Particulars	For the year ended March 2021	For the year ended March 2020
<b>A. Raw Material Consumed</b>		
Raw materials at the beginning of the year	7,200,299	275,111,091
Add: Purchases During the year	42,629,490	1,675,654,700
Less: Raw materials at the end of the year	9,048,163	299,268,000
<b>Total cost of raw material consumed</b>	<b>40,781,626</b>	<b>1,651,497,791</b>

(No Write down value of inventories and written down value of material due to obsolescence these amount included in the cost material consumed during the current reporting period).

**Note 23: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Amount in Rs.)

Particulars	For the year ended March 2021	For the year ended March 2020
<b>Opening Balance</b>		
Finished Goods	7,989,520	94,459,202
Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
<b>Total Opening Balances</b>	<b>7,989,520</b>	<b>94,459,202</b>
Closing Balance		
Finished Goods	9,269,259	199,738,000
Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
<b>Total Closing Balance</b>	<b>9,269,259</b>	<b>199,738,000</b>
<b>Total Changes in inventories of finished goods, work-inprogress and stock-in-trade</b>	<b>(1,279,739)</b>	<b>(105,278,798)</b>

**Note 24: Employee Benefits**

Particulars	For the year ended March 2021	For the year ended March 2020
Salaries, Wages, Bonus etc.	5,828,356	37,913,984
Director Remuneration	1,996,500	6,392,814
Contribution to P.F, E.S.I and Other Statutory Funds	493,484	2,486,936
Gratuity	2,110,103	2,179,225
Leave compensation	29,338	127,558
Staff welfare expenses	64,299	4,468,403
<b>Total Employee benefits</b>	<b>10,522,080</b>	<b>53,568,920</b>

**Note 25: Finance Cost**

(Amount in Rs.)

Particulars	For the year ended March 2021	For the year ended March 2020
<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
a) Interest on Term Loans , Equipment Loans and Vehicle Loans		
b) Interest on working capital loan and cash credits	7,750,829	22,488,443
c) Other Interest Expenses(Bank Charges)	968,099	2,339,682
d) Other Borrowing Cost	4,810	6,072,594
Less: Amount Capitalised	-	-
<b>Total Interest on financial liabilities carried at amortised cost</b>	<b>8,723,737</b>	<b>30,900,719</b>
Interest on Trade payables (as per MSME Act)	-	-
Interest on delayed payment of statutory dues	11,204	1,183,418
Unwinding of discount on provision	-	-
Exchange difference regarded as adjustment to borrowing costs	-	-
Dividend on redeemable preference shares (including dividend distribution tax)	-	-
<b>Total Finance Cost</b>	<b>8,734,941</b>	<b>32,084,137</b>

**Note 26: Depreciation and Amortisation Expenses**

Particulars	For the year ended March 2021	For the year ended March 2020
Depreciation on plant, property and equipment	2,854,058	19,550,114
Depreciation on Investment properties	-	-
Amortisation on Intangible assets	-	-
<b>Total depreciation and Amortisation expenses</b>	<b>2,854,058</b>	<b>19,550,114</b>

**Note 27: Other expenses**

Particulars	For the year ended March 2021	For the year ended March 2020
Computer Maintenance	-	
Repairs and Maintenance	1,953,507	12,019,301
Consumption of Stores	182,076	59,704,897
Freight & Transportation	1,829,274	18,361,742
Labour Wages	1,910,972	52,032,604
Security Charges	-	2,534,208
Jobwork charges	-	81,709,482

**Note 27: Other expenses (Contd...)**

(Amount in Rs.)

Particulars	For the year ended March 2021	For the year ended March 2020
Printing & stationery	804,105	1,788,842
Disc & Rebate	51,850	333,840
Power & Fuel	1,128,730	53,912,324
Rent- Office & Godown	629,100	954,000
Travelling & Conveyance Expenses	1,075,161	3,030,057
Audit fees	180,000	-
Telephone & Communication Expenses	140,018	841,334
Insurance	112,191	1,694,931
Legal & Professional charges	1,042,000	4,972,684
Sales & Business Promotion	2,462,730	3,450,832
Rates and taxes	294,539	3,565,588
Misc Expenses	3,955,510	15,846,148
Shortage & Spoiled Goods	1,423,005	286,739
ROC Charges	23,000	-
Net Gain on investments	-	143,695
<b>Total</b>	<b>19,197,768</b>	<b>317,183,249</b>

**Note 28: Payment to Auditors**

Particulars	For the year ended March 2021	For the year ended March 2020
As An Auditor		
- Audit Fees	180,000	-
- Tax Audit	-	-
- Limited Review	-	-
In Other Capacity		
- Taxation Matters	-	-
- Company Law matters	-	-
- Certification matters	-	-
- Reimbursement of Expenses	-	-
<b>Total Payment to Auditor</b>	<b>180,000</b>	<b>-</b>

**Note 29: Corporate Social Responsibility( CSR) Not Applicable to this period**

Particulars	For the year ended March 2021	For the year ended March 2020
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:	-	-



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