



ORTIN LABORATORIES LIMITED

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

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24th ANNUAL REPORT 2010-2011



ORTIN LABORATORIES LIMITED

REGISTERED OFFICE	:	FLAT NO. 502, PALEM TOWERS, BARKATPURA, HYDERABAD – 500 027, ANDHRA PRADESH
BOARD OF DIRECTORS	:	Sri. S.MURALI KRISHNA MURTHY Sri. G. VENKATA RAMANA Sri. S. MOHAN KRISHNA MURTHY Sri. Bh. SATYANARAYANA RAJU Sri. S. BALAJI VENKATESWARLU Sri. S. SRINIVAS KUMAR Sri. J. R. K. PANDU RANGA RAO Sri. M. TIPPAYYA Sri. D. HANUMANTHA RAO Sri. K. PRADYUMNA TEJA
WORKS	:	UNIT 1: PLOT NO. 275 & 278, I.D.A, PASHAMYLARAM, MEDAK DIST., ANDHRA PRADESH UNIT 2 Sy. No. 300, MALKAPUR VILLAGE, CHOUTUPPAL MANDAL, NALGONDA DIST., (A. P)
BANKERS	:	KARNATAKA BANK LTD., NAMPALLY, HYDERABAD. I.C.I.C.I. BANK, HIMAYATH NAGAR, HYDERABAD. SYNDICATE BANK, M.J.ROAD, NAMPALLY, HYDERABAD. STATE BANK OF INDIA BARKATPURA, HYDERABAD.
AUDITORS	:	M/S.MATHESH & RAMANA, CHARTERED ACCOUNTANTS, 3-6-145, HIMAYATH NAGAR, HYDERABAD-500 029.
REGISTRARS AND SHARE TRANSFER AGENTS	:	M/S SATHGURU MANAGEMENT CONSULTANTS PVT LTD., NO-15, HINDI NAGAR, PANJAGUTTA, HYDERABAD-34. PH.No.:040-23350586, 23356975



NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of ORTIN LABORATORIES LIMITED will be held on Friday, the 30th September, 2011 at 11.00 A.M at the Registered Office of the Company situated at Flat no 502, Palem Towers, Barkatpura, Hyderabad- 500 027 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at 31st March 2011 and profit & loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare 5% dividend on equity shares.
3. To appoint a director in place of Mr. Mathpati Tippayya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Pradyumna Teja Kavooru, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Gaddam Venkata Ramana who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act 1956 by the Board of Directors w.e.f 30.09.2010 and who holds the office up-to date of the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with a deposit of Rs.500/- proposing him as candidate for the office of Director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation".

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

"RESOLVED THAT Mr. Satyanarayana Raju Bhupathiraju who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act 1956 by the Board of Directors w.e.f 30.09.2010 and who holds the office up-to date of the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with a deposit of Rs.500/- proposing him as candidate for the office of Director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation".

8. Re- appointment of Mr. Murali Krishna Murthy Sanka, as Managing Director:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provision of Sections 198,269,309,310 and other applicable provisions, if any, of the companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, Mr. Murali Krishna Murthy Sanka be and is hereby reappointed as Managing Director of the company for a period of 5 years with effect from 28.01.2011 and the existing terms and conditions of the appointment including remuneration, remain unchanged.

“FURTHER RESOLVED THAT, notwithstanding anything contained to the contrary herein, where in any financial year during the tenure of Mr. Murali Krishna Murthy Sanka the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances, and perquisites within the limits as laid down under Sections 198, 309, 310 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as in force from time to time.”

9. Re- appointment of Mr. Sanka Balaji Venkateswarlu as Whole Time Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Sanka Balaji Venkateswarlu as Whole Time Director of the Company for a period of 3 years (Three) years w.e.f. 28.01.2011 and the existing terms and conditions of the appointment including remuneration, remain unchanged.

“FURTHER RESOLVED THAT, notwithstanding anything contained to the contrary herein, where in any financial year during the tenure of Mr. Sanka Balaji Venkateswarlu, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, allowances, and perquisites within the limits as laid down under Sections 198,309,310 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as in force from time to time.”

10. Re- appointment of Mr. Sanka Srinivas Kumar as Whole Time Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Sanka Srinivas Kumar as Whole Time Director of the Company for a period of 3 years (Three) years w.ef. 28.01.2011 and the existing terms and conditions of the appointment including remuneration, remain unchanged.



“FURTHER RESOLVED THAT, notwithstanding anything contained to the contrary herein, where in any financial year during the tenure of Mr. Sanka Srinivas Kumar, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, allowances, and perquisites within the limits as laid down under Sections 198,309,310 and all other applicable provisions , if any, of the Act read with Schedule XIII of the Act as in force from time to time.”

11. Re- appointment of Mr. Mohan Krishna Murthy Sanka as Whole Time Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Mohan Krishna Murthy Sanka as Whole Time Director of the Company for a period of 3 (three) years w.ef. 28.01.2011 and the existing terms and conditions of the appointment including remuneration, remain unchanged.

“FURTHER RESOLVED THAT, notwithstanding anything contained to the contrary herein, where in any financial year during the tenure of Mr. Mohan Krishna Murthy Sanka, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, allowances, and perquisites within the limits as laid down under Sections 198,309,310 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as in force from time to time.”

Notes:

1. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of this Annual report
2. The register of members and share transfer books of the Company will remain closed from 25.09.2011 to 30.09.2011 (both days inclusive)
3. The dividend of 5% for the year ended 31st March 2011 as recommended by the Board, if sanctioned at the AGM will be payable to those members whose names appear on the Company’s Register of Members on 24th September, 2011.
4. Members are requested to notify immediately any change in their address to the Company’s Registered Office.
5. Members/Proxies are requested to bring duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.



6. Members holding shares in the physical form may write to the Company for any change in their addresses and bank mandates. Members holding shares in electronic form may write to their depository participants for immediate updation so as to enable the Company to dispatch dividend warrants to the correct address.
7. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

For and on behalf of the Board of

M/s. ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy
MANAGING DIRECTOR

Place: Hyderabad
Date : 01.09.2011



EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6:

The members may note that Mr. Gaddam Venkata Ramana was inducted into Board as Additional Director of the company, with effect from 30.09.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received a notice in writing from a member of the company along with a deposit of Rs.500/- each under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Directors whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposals ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. Gaddam Venkata Ramana may be deemed to be concerned or interested in the resolution.

Details of the Director appointed

Name	Mr. Gaddam Venkata Ramana
Date of Birth	18.08.1968
Date of Appointment	30.09.2010
Expertise in specific functional areas	Pharmaceutical line of Manufacturing of API and Intermediates, Business and Administration
Qualifications	M.Sc.
No. of Shares held in the Company	Nil
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Positions held in mandatory committees of other companies	Nil

Item No. 7:

The members may note that Mr. Satyanarayana Raju Bhupathiraju was inducted into Board as Additional Director of the company, with effect from 30.09.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of

ensuing Annual General Meeting. The company has received a notice in writing from a member of the company along with a deposit of Rs.500/- each under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Directors whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposals ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. Satyanarayana Raju Bhupathiraju may be deemed to be concerned or interested in the resolution.

Details of the Director appointed

Name	Mr. Bh. Satyanarayana Raju
Date of Birth	25.05.1950
Date of Appointment	30.09.2010
Expertise in specific functional areas	Pharmaceutical line of Business and Administration
No. of Shares held in the Company	Nil
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Positions held in mandatory committees of other companies	Nil

Item No 8:

Mr. Murali Krishna Murthy Sanka, whose term expired on 26.01.2011 as Managing Director of the Company, Considering the contribution of Mr. Murali Krishna Murthy Sanka in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company, in its meeting held on 28.01.2011, subject to approval of the members, has re-appointed him for further period of 5 years w.e.f 28.01.2011 on the terms and conditions mentioned in resolution as Item No. 8 of the notice of this Annual General Meeting.

Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mr. Murali Krishna Murthy Sanka, as Managing Director.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company is interested or concerned in the passing of the Resolution except Mr. Murali Krishna Murthy Sanka, Mr. Mohan Krishna Murthy Sanka, Mr. Balaji Venkateswarlu Sanka & Mr. Srinivas Kumar Sanka.

**Item No.9:**

Mr. Sanka Balaji Venkateswarlu, whose term expired on 31.01.2011 as Whole Time Director of the Company, considering the contribution of Mr. Sanka Balaji Venkateswarlu, as Whole Time Director in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company, in its meeting held on 28.01.2011, subject to approval of the members, has re-appointed him for further period of 3 years w.e.f 28.01.2011 on the terms and conditions mentioned in resolution as Item No.9 of the notice of this Annual General Meeting.

Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mr. Sanka Balaji Venkateswarlu.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company are interested or concerned in the passing of the Resolution except Mr. Sanka Balaji Venkateswarlu, Mr. Murali Krishna Murthy Sanka, Mr. Mohan Krishna Murthy Sanka & Mr. Srinivas Kumar Sanka.

Item No. 10:

Mr. Sanka Srinivas Kumar, whose term expired as Whole Time Director of the Company, considering the contribution of Mr. Sanka Srinivas Kumar as Whole Time Director in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company, in its meeting held on 28.01.2011, subject to approval of the members, has re-appointed him for further period of 3 years w.e.f 28.01.2011 on the terms and conditions mentioned in resolution as Item No.10 of the notice of this Annual General Meeting.

Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mr. Sanka Srinivas Kumar.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company are interested or concerned in the passing of the Resolution except Mr. Sanka Srinivas Kumar, Mr. Murali Krishna Murthy Sanka, Mr. Mohan Krishna Murthy Sanka & Mr. Balaji Venkateswarlu Sanka.

Item No. 11:

Mr. Mohan Krishna Murthy Sanka, whose term expired on 27.01.2011 as Whole Time Director of the Company, considering the contribution of Mr. Mohan Krishna Murthy Sanka as Whole Time Director in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company, in its meeting held on 28.01.2011, subject to approval of the members, has re-appointed him for further period of 3 years w.e.f 28.01.2011 on the terms and conditions mentioned in resolution as Item No.11 of the notice of this Annual General Meeting.



Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mr. Mohan Krishna Murthy Sanka.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company are interested or concerned in the passing of the Resolution except Mr. Mohan Krishna Murthy Sanka, Mr. Murali Krishna Murthy Sanka, Mr. Balaji Venkateswarlu Sanka & Mr. Srinivas Kumar Sanka..

For and on behalf of the Board of
M/s. ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy
MANAGING DIRECTOR

Place: Hyderabad

Date : 01.09.2011



ORTIN LABORATORIES LIMITED

DIRECTORS' REPORT

To

The Members of

ORTIN LABORATORIES LIMITED

Your Directors have pleasure in presenting the 24th Annual Report together with audited accounts of the Company for the year ended on March 31, 2011.

FINANCIAL RESULTS:

Rupees in lakhs

PARTICULARS	2010-11	2009-10
Income	6498.56	3134.01
Increase / Decrease in Stocks	7.85	31.46
Other Income	15.85	7.32
Gross Expenditure	6111.22	3010.91
Gross Profit before interest and depreciation	411.04	161.88
Interest	135.80	12.45
Depreciation	63.17	19.46
Profit before Taxation	212.07	129.97
Provision for Taxation	44.83	47.80
Prior Period Expenses	5.64	—
Profit after Tax	161.60	82.17
Dividend	84.70	37.60
Dividend Tax	14.07	6.39
E.P.S (in Rs.)	1.56	2.24

OPERATIONS:

During the year the company has made turnover of Rs. 6498.56 lacs includes Job Work of Rs. 234.57 lakhs and other income of 15.85 lacs and a net profit after tax of Rs. 161.60 lakhs against the turnover of Rs.3134.01 lakhs and other income of Rs. 7.32 lakhs and net profit after tax of Rs. 82.17 lakhs in the previous year.

DIVIDEND:

Your Directors recommended a dividend of 5% on the equity shares of Rs.10 each for the year ending 31.03.2011.

LISTING:

The equity shares of your company are listed on The Madras Stock Exchange Limited and The Bombay Stock Exchange Limited.

MERGER OF M/S. VINEET LABORATORIES PRIVATE LIMITED WITH THE COMPANY:

During the year the company has filed the application before the Hon'ble High Court of Andhra Pradesh for merger of M/s. Vineet Laboratories Private Limited with M/s. Ortin Laboratories Limited. The Hon'ble High Court vide its Orders dated 30.04.2011 approved the Scheme of Amalgamation of both the Companies. As per the scheme, M/s. Ortin Laboratories Limited should issue 1,22,40,000 equity shares to the shareholders of M/s. Vineet Laboratories Limited. The Company is in the process of completing the other formalities for getting the new shares listed on the Stock Exchange.

CAPITAL OF THE COMPANY:

During the period, the company has allotted 10,30,000 equity shares on preferential basis to the promoters and the others at an issue price of Rs.18/- each. As a result the paid up capital of the company stands at 47,00,400 equity shares of Rs. 10 each. Authorised capital of the company stands at 85,00,000 equity shares of Rs.10/- each.

As a result of Merger, The Authorised capital of VLPL Rs.7,25,00,000 (Rupees Seven Crores and Twenty Five Lacs only) divided into 72,50,000 equity shares of Rs. 10/- each was added to the Authorized Share Capital of OLL which results into the combined Authorised capital of Rs 15,75,00,000/- (Rupees Fifteen Crores Seventy Five Lacs only) divided into 1,57,50,000 equity shares of Rs. 10/- each. As per Court order the company increased its Authorised Capital to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 equity shares of Rs. 10/- each which includes the above authorized capital of 1,57,50,000 equity shares of Rs.10 each.

The Equity Shareholders of VLPL would get 17 Equity Shares of OLL for every 10 Equity Share held in VLPL. Accordingly 1,22,40,000 fully paid-up equity shares of Rs. 10/- each of OLL shall be issued and allotted to the equity shareholders of VLPL in the same proportion as to their shareholding in VLPL.

UTILISATION OF FUNDS:

During the period the company has raised funds of about Rs. 1.85 crores by way of preferential allotment of shares / warrants etc. The amount has been spent towards the capital expenditure and working capital requirements etc.

PUBLIC DEPOSITS:

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

DIRECTORS:

Mr. Mathpati Tippayya and Pradyumna Teja Kavoory, are liable to retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.



Your Board recommends for the re-appointment of the above said Directors in the overall interest of the company.

Mr.Gaddam Venkata Ramana and Satyanarayana Raju Bhupathiraju were appointed as additional directors on the board of the company w.e.f. 30.09.2010.

Mr. S. Murali Krishna Murthy was re-appointed as Managing Director of the company in the board meeting held on 28.01.2011 for a period of 5 years.

Mr. Sanka Balaji Venkateswarlu ,Mr. Sanka Srinivas Kumar and Mr. Mohan krishna Murthy were re-appointed as Whole Time Directors of the Company in the Board meeting held on 28.01.2011 for a period of 3 years.

CODE OF CONDUCT:

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in **Annexure**.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE:

A note on corporate governance is enclosed elsewhere in the annual report.

AUDITORS:

M/s. Mathesh & Ramana., Chartered Accountants, Hyderabad, retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible have expressed their willingness to be reappointed as statutory auditors of the company to hold office until the conclusion of the next Annual General Meeting of the company.

FIXED DEPOSITS:

Your company has not accepted any deposits from the public during the year under review.



INDUSTRIAL RELATIONS:

Industrial relations during the year under review continued to be cordial.

PARTICULARS OF EMPLOYEES:

There are no employees covered by the company (disclosure of particular in the report of directors) rules 1988 and particulars of employees under section 217(2A) of the Companies Act 1956.

CONSERVATION OF ENERGY:

The information required under section 217(1)(e) of the companies Act 1956, with the companies (disclosure of particular in the report of directors) rules 1988 with respective matters is also appended here to and forms part of the report.

ACKNOWLEDGMENTS:

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

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

To

The Shareholders,

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

For and on behalf of the Board of
M/s. ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy
MANAGING DIRECTOR

Place: Hyderabad
Date : 01.09.2011



ORTIN LABORATORIES LIMITED

ANNEXURES TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2011

ANNEXURE - I

Information under section 217(1) (e) of the companies Act, 1956 read with companies (disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the directors report.

A. CONVERSION OF ENERGY:

- a) Energy Conversion Measures taken : YES
Capacitors were installed as per norms
- b) Additional investment and proposals, if any being implemented for reduction of consumption of energy : NIL
- c) Impact of the measures at (a) (b) above for deduction
Calibration of machines at regular intervals as a result : YES
The power consumption was regularized
- d) Total energy consumption and energy
Consumption per unit of production : NIL

B. TECHNOLOGY ABSORPTION:

- e) Efforts made in technology absorption as per Form –B : NIL

C. FOREIGN EXCHANGE EARNINGS & OUT GO:

- f) Activities relating to exports, initiatives taken to increase Exports, development of new markets for products and Services and export plans : Explained in Management Discussion and Analysis Report
- g) Total Foreign Exchange earned (Deemed Exports) : Rs. 4,29,58,400
Total Foreign Exchange outgo (Imports) : Rs. 6,52,17,628

For and on behalf of the Board of
M/s. ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy
MANAGING DIRECTOR

Place: Hyderabad
Date : 01.09.2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

GLOBAL TRENDS IN PHARMACEUTICAL INDUSTRY:

As per the reports on IMS Health, the global Pharmaceutical market value is expected to be around \$880 billion in 2011. This growth is higher than the one mentioned in 2010 and will be predominantly driven by stronger overall contribution from emerging countries. The emerging markets are forecasted to grow at a 15-17% in 2011, to US \$170 – 180 billion. Many of these markets are benefiting from greater government spending on healthcare and broader public and private healthcare funding, which is driving greater demand and access to medicines.

In 2011, products with sales of more than \$30 billion are expected to face the prospect of generic competition in the major developed markets. The full impact of patients shifting to lower-cost generic alternatives for these products, as well as other brands in their therapy classes, mostly will be felt in 2012, due to the timing and expected competitive intensity among generic entrants.

INDIAN PHARMACEUTICAL MARKET:

Apart from USA, India has largest USFDA approved plants which makes India a outsourcing hub for manufacturing services by multi nations and global Pharmaceutical Companies. India as a country has edge over other countries like China and East European Countries in terms of skilled and English speaking human power, strong manufacturing base with a track record of quality products, structured legal and regulatory system, etc. It will help the pharmaceutical Company in India immensely.

Overall regulatory environment in India has seen changes and a lot more is expected with the changing global business climate. One of the drivers behind this potential growth expectation is that India's Pharmaceutical Industry has a favourable macro environment to grow in the Indian Economy as rebounded from the Global Economic downturn with real gross domestic products(GDP) growth reaching 10.4% in 2010 (IMF World Economic Outlook April, 2011).

The Indian Domestic Pharma Industry is witnessing trends such as acquisition activity, increased sales & marketing investment by domestic players, deeper penetration into the ruler markets and growth in insurance coverage and innovation in healthcare delivery. Taken together, these trends are leading to increased affordability of services to patients and access to quality medical care. These trends, along with the favourable macro environment will propel the industry to the next level of growth.

KEY GROWTH DRIVERS AND RESISTORS FACING HEALTHCARE PAYERS AND PHARMA:

A number of factors have and will continue to effect pharmaceuticals sales and profits going forward. Ageing populations, the growing prevalence of chronic disease, greater use of expensive treatments, and expanding public healthcare coverage in markets such as the US are stretching existing healthcare resources. Both public and private payers across the world are pursuing a wave of budgetary control mechanisms that target drugs spending. For countries with publicity funded healthcare, this is being implemented in the context of restoring



fiscal balance. Further, during 2010-15, branded pharmaceutical is set to lose approximately US\$ 108 billion in sales due to patent cliffs and the resultant generic erosion of branded sales. However, the industry is implementing a number of strategies to drive sales and profitability going forward: product innovation, diversification, and cost – containment. It is difficult to estimate how these will play out over time.

OPERATIONAL AND FINANCIAL PERFORMANCE:

- Sales: During the year under review, Net Sales and Operational Income stood at Rs. 6498.56 lakhs as against Rs. 3134.01 lakhs in previous year, registering an increase in Sales by 107.35 %.
- Net Profit: During the year, the Company has achieved a Net Profit of Rs. 212.07 Lakhs as against Rs.129.97 Lakhs, during the corresponding period in the previous year.
- Net Worth: The Net Worth of the Company increased to Rs.1988.93 Lakhs from Rs.693.70 Lakhs during the previous year. The increase has been primarily on account of profit earned by the Company and due to the amalgamation of Vineet Laboratories Private Limited during the year.
- Net working Capital: The net current assets of the Company increased to Rs. 1021.01 lakhs in previous year from Rs. 655.74 lakhs.
- Fixed Assets: During the year, under review, the Company has incurred capital expenditure amounting to Rs. 2110.66 lakhs. The amount has primarily been used in up-gradation and modernization of the manufacturing facilities and due to amalgamation of Vineet Laboratories Private Limited.

INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control systems commensurate with the size and the nature of business of the Company.

The internal control system is constantly assessed and strengthened with tighter control procedures. The internal control systems ensure effectively of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

The audit committee periodically reviews the adequacy and efficacy of the said internal control systems. All the issues relating to internal control systems are resolved by the audit committee.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company recognizes the importance and contribution of the employees. Human Resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core skills of the employees. It is the continuous effort by the Company that helps to provide the right environment in order to maximize team efforts while exploiting individual growth potential in the right manner.



The Directors record their appreciation of the support and continued contribution of all employees towards the growth of the Company.

RISKS AND CONCERNS:

Your Company does not perceive any risks or concerns other than those that are common to industry such as regulatory risks, exchange risks and other commercial and business risks.

Some of the identifiable risks include the following:

- Competition from other Indian Companies operating in similar segments.
- Competition from countries that offer low cost manufacturing base such as China, Korea and other emerging markets.
- Other key risks related to our business include loss of key personnel, interest rate, foreign exchange and regulatory changes.

OUTLOOK:

During the year, the Company has taken several robust measures for achieving rapid growth. The Company has acquired M/s. Vineet Laboratories Private Limited which is engaged in the manufacturing of Fine Chemicals, Custom synthesis and specialized in making bulk drug intermediates for anti retrovirals and lipid lowering agents, etc., which boosted the performance of the Company in terms of turnovers and income.

Secondly, the Company has been allotted 6.18 acres of land in IDA, Buchinelli, Zaheerabad, Medak Dist., A.P. by APIIC and planning to construct USFDA and European Standard Bulk Drug manufacturing facility.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY:

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

2. BOARD OF DIRECTORS AND DETAILS OF MEETINGS:

During the Financial Year 2010-2011 the Board of Directors met 10 times on the following dates: 17.04.2010, 30.04.2010, 18.05.2010, 21.07.2010, 30.07.2010, 26.08.2010, 30.09.2010, 30.10.2010, 28.12.2010 and 31.01.2011.

The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was under:

Name of the Director	Category	No.of Board Meetings attended	Attendance at the last AGM	No. of out side directorships held
S. Murali Krishna Murthy	Managing Director	10	YES	NIL
*Gaddam Venkata Ramana	Executive Director	4	NA	NIL
*Bhupathiraju Satyanarayana Raju	Executive Director	4	NA	NIL
S. Mohan Krishna Murthy	Executive Director	10	YES	NIL
S. Srinivas Kumar	Executive Director	10	YES	NIL
S. Balaji Venkateswarlu	Executive Director	10	YES	NIL
J.R.K. Panduranga Rao	Independent Non-Exe. Director	10	YES	NIL
M. Tippayya	Independent Non-Exe. Director	10	YES	NIL
D. Hanumantha Rao	Independent Non-Exe. Director	4	YES	NIL
Pradyumna Teja Kavooru	Independent Non-Exe. Director	10	YES	NIL

* Appointed on 30.09.2010

A BRIEF PROFILE OF THE DIRECTORS APPOINTED AND REAPPOINTED ARE AS FOLLOWS:

Mr. Gaddam Venkata Ramana:

He is the Joint Managing Director of the Company and taking care of the Production and Management of APIS and API Intermediates manufacturing activity. He did his Masters in Science from Sri Venkateswara University, Andhra Pradesh. He has 23 years of experience in the above activities.

Mr. Satyanarayana Raju Bhupathiraju:

He is the Director in the Company taking care of Personal Management and Finance. He retired from the Govt. and worked for 35 years in different capacities in the Departments of Finance and Administration.

Mr. Murali Krishna Murthy Sanka:

He is the Managing Director of the Company. He is a Graduate in Science from Nagarjuna University, Andhra Pradesh in the year of 1979. He has very good experience in Management and Marketing.

Mr. Sanka Balaji Venkateswarlu:

He is the Director (Marketing) of the Company. He has 30 years of experience in Pharma Marketing.

Mr. Sanka Srinivas Kumar:

He is the Director (Personnel) of the Company and he is the In-charge of Administration of the Company.

Mr. Mohan Krishna Murthy:

He is the Director of M/s. Ortin Laboratories Limited and has vast experience in Finance Management for the past 35 years.

3. REMUNERATION TO DIRECTORS:

The details of remuneration paid /payable to all the directors for the year 2010-2011 are:

SI. No.	Name of the Director	31 March 2011 Rupees
1.	Sri. S. MURALI KRISHNA MURTHY	7,20,000
2.	Sri. S. MOHAN KRISHNA MURTHY	7,20,000
3.	Sri. S. BALAJI VENKATESWARLU	7,20,000
4.	Sri. S. SRINIVAS KUMAR	7,20,000
5.	Sri. G. VENKATA RAMANA	5,59,170
6.	Sri. B. H. SATYANARAYANA RAJU	2,88,000
7.	Smt. G. V. RAMA	3,00,000
8.	Sri. A. RANGA RAJU	3,00,000
9.	Smt. D. RAMAVATHI	3,00,000



4. AUDIT COMMITTEE:

Terms of Reference of Audit Committee of the Board of Directors are as under:

- 1) Review of the Company's financial reporting process, and its financial statements.
- 2) Review of accounting and financial policies and practices.
- 3) Review of the internal control and internal audit system.
- 4) Review of risk management and policies and practices.

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN:

- 1.Mr. J. R. K. Panduranga Rao
- 2.Mr. S. Srinivas Kumar
- 3.Mr. Pradyumna Teja Kavooru

And Statutory Auditors are invitees to the meeting. The total number of meetings held during the year are 5 as mentioned 30.04.2010, 30.07.2010, 26.08.2010, 30.10.2010 and 31.01.2011

5. REMUNERATION AND COMPENSATION COMMITTEE:

The committee was constituted with the following Directors for determining the remuneration packages of Executive / Non-Executive Directors apart from monitoring implementation of ESOP schemes. The committee met once during the year on 30.10.2010.

1. Mr. Pradyumna Teja Kavooru
2. Mr. Gaddam Venkata Ramana
3. Mr. Bhupathiraju Satyanarayana Raju

6. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

Shareholders/Investors Grievance Committee was formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

The Shareholders/Investors Grievance Committee was constituted with the following persons:

1. Mr.Murali Krishna Murthy
2. Mr. Pradyumna Teja Kavooru
3. Mr. Mohan Krishna Murthy

Mr. S. Murali Krishna Murthy is the compliance officer of the company. The committee looks into the matters relating to the shareholder's complaints, grievances, various requests in the nature of transfer, transmission, etc., and also overseeing the performance of the Registrar & Transfer agents to improve the quality of investor services.

7. DISCLOSURES:

The company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other statutory bodies regulating the capital markets. No stretchers or penalties were imposed on the company. Other transactions are adequately disclosed in the notes to Annual Accounts.



i) Disclosure on Materially significant related party transactions

The company does not have any related party transactions except as disclosed in notes on accounts, which may have potential conflict with the interest of the company. The register of contracts containing transactions in which Directors are interested is placed before the board.

ii) Case of Non- Compliances / penalties

There has been no instance of non-compliance by the Company related to capital markets. Hence, the questions of imposition of penalties or strictures by SEBI or the Stock Exchanges are not applicable.

iii) Risk Management

The company has been addressing various risks impacting the company.

iv) Whistle Blower Policy

The company has framed suitable policies and systems for the Whistle Blower Policy.

v) Compliance with mandatory requirements and adoption of non mandatory requirements of Clause 49

Certifications from M/s MATHESH & RAMANA, Auditors of the company confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, are annexed.

The company has constituted Remuneration committee. A detailed note on compensation/ remuneration is provided elsewhere in the report.

8. INFORMATION ON GENERAL BODY MEETINGS:

The last 3 Annual General Meetings were held as under:

AGM for the financial year ended	Date and Time of AGM	Location of holding AGM
2009-2010	30 th day of September, 2010 at 11.00 A.M.	At the Registered Office of the Company situated at Flat no 502, Palem Towers, Barkatpura, Hyderabad- 500027
2008-2009	30 th day of September, 2009 at 11.00 A.M.	At the Registered Office of the Company situated at Flat no 502, Palem Towers, Barkatpura, Hyderabad- 500027
2007-2008	30 th day of September, 2008 at 11.00 A.M.	At the Registered Office of the Company situated at Flat no 502, Palem Towers, Barkatpura, Hyderabad- 500027



9. POSTAL BALLOT:

During the year, the company has not passed any Special Resolution by postal ballot.

10. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results of the company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in English and Telugu newspapers. The Management Discussion and Analysis (MD & A) is a part of the annual report.

11. GENERAL SHAREHOLDER INFORMATION:

i) Annual General Meeting:

Date : 30th September, 2011

Time : 11.00 A. M

Venue : Flat no.502, Palem Towers, Barkatpura, Hyderabad – 500 027,
Andhra Pradesh, India

ii) Financial Calendar:

The financial year covers the period from 1st April to 31st March 2011:

Financial Reporting for 2011-12 (tentative):

The First Quarter Results –	On / before 15.08.2011
The Second Quarter Results –	On / before 15.11.2011
The Third Quarter Results –	On / before 15.02.2012
The Last Quarter Results –	On / before 15.05.2012

iii) **Book Closure:** 25th September, 2011 to 30th September, 2011 (both days inclusive).

iv) **Dividend payment** : on or before 30.10.2011

v) Listing on Stock Exchanges:

Shares of the Company are listed on the following Stock Exchanges.

S. No	Name of the Stock Exchange	Address
1.	Madras Stock Exchange Limited	Madras
2.	Bombay Stock Exchange Limited	Bombay (Indonext model)

The Company has paid Annual Listing Fees for the year 2010-2011.

vi) **Demat ISIN no FOR CDSL and NSDL: INE 749B01012**

Vii) Trading of company's Share on Stock Exchange, Bombay:

Month	High (Rs.)	Low (Rs.)
April, 2010	19.75	17.35
May, 2010	20.75	16.30
June, 2010	21.50	16.35
July, 2010	32.75	19.90
August, 2010	30.90	25.70
September, 2010	39.05	25.70
October, 2010	40.00	31.80
November, 2010	38.45	31.00
December, 2010	35.15	27.60
January, 2011	34.80	25.65
February, 2011	31.50	23.65
March, 2011	28.50	22.30

Viii) Share Holding Pattern As On 31/03/2011

CATEGORY	No. of Shares Held	%of Share Holding
A. Promoters Holding		
1. Promoters & group		
-Indian Promoters	2,282,894	48.57
-Foreign Promoters	0	0
B. Public Share Holding		
3. Institutional Investors	0	0
a. Mutual Funds/UTI	0	0
b. Banks, FIs, Insurance Companies	0	0
c. FIs	0	0
4. Others		
a. Body Corporate	740,727	15.76
b. Indian Public (Holding more than 1 lac)	668,987	14.23
c. Indian Public (Holding less than 1 lac)	640,422	13.62
d. NRIs/s & OCB'S	367,269	7.81
e. Directors & their Relatives & Friends	0	0
f. Clearing member	101	0.01
Grand Total	4,700,400	100



ix) Dematerialization of shares:

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's **ISIN** is **INE 749B01012**. 4,496,853 equity shares are dematerialised which is 95.67% of the paid up capital of the Company and out of which 1,278,133 shares are in CDSL and 3,218,720 shares are in NSDL and the balance are in physical form.

x) Registrars and Transfer Agents:

M/s. Sathguru Management Consultants Pvt Ltd,
No.15, Hindi Nagar, Panjagutta,
Hyderabad - 500 034, Andhra Pradesh, India
Ph. No. 040-23350586, 23356975

xi) Share Transfer system:

The Share Transfer Committee approves transfer of shares in physical mode. The Company's RTA transfers the shares within 30 days of receipt of request. Dematerialization is done within 20 days of receipt of request along with the shares through the Depository participant of the shareholders.

xii) Delegation of Share Transfer Formalities:

The Board has delegated share transfer formalities to the Registrars and Transfer Agents:

M/s Sathguru Management Consultants Pvt. Ltd.,
No.15, Hindi Nagar, Panjagutta,
Hyderabad - 500 034, Andhra Pradesh, India
Ph. No. 040-23350586, 23356975

All communications regarding Share Transfers, Transmissions Change in Address and any other correspondence etc., may be addressed to the Registrars & Transfer Agents.

Share transfers are registered with in a period of 30 days from the date of receipt, if the documents are in order in all respects.

xiii) Address for Correspondence:

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

Flat No. 502, Palem Towers,
Barkatpura, Hyderabad – 500 027
Andhra Pradesh, India

xiv) Dividend declared in earlier years:

The company has paid dividend of 8% on equity capital for the financial year of 2009-2010 against proposed a dividend of 5% during the financial year.



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a certificate from the Auditors of the Company regarding compliances of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. The said Corporate Governance is as under:

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Ortin Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Ortin Laboratories Limited, ('the Company'), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

Place: Hyderabad

Date : 01.09.2011

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

Sd/-

B. V. RAMANA REDDY
PARTNER

Membership No.026967

Firm Reg. No. 002020S



AUDITORS' REPORT

To the members of

ORTIN LABORATORIES LIMITED

1. We have audited the attached Balance Sheet of **ORTIN LABORATORIES LIMITED**, as at 31st March, 2011 the Profit and Loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As stated in Note 2, Schedule – S Notes on Accounts, Vineet Laboratories Pvt. Ltd. (VLPL) was amalgamated with Ortin Laboratories Ltd. with effect from October 1, 2010, in accordance with a Scheme of Amalgamation sanctioned on June 29, 2011, by the Honourable High Court of Andhra Pradesh. The opening balances of the erstwhile VLPL as on October 01, 2010 have been adopted as per the amalgamation scheme.
4. Without qualifying our opinion attention is drawn to Note 2, Schedule – S Notes on Accounts regarding the scheme of amalgamation approved by the Honorable High Court of Andhra Pradesh whereby the Assets and Liabilities of the erstwhile Vineet Laboratories Private Limited have been taken over and recorded at their book values as on 01st October, 2010 as per the audited financial statements. The share capital of the erstwhile VLPL (Transferor Company) before amalgamation was Rs. 720.00 lacs. According to the scheme of amalgamation, the Equity Share Capital to be allotted to the Shareholders of VLPL is Rs. 1,224.00 lacs. The difference of Rs. 504.00 lacs between the Equity Share Capital to be allotted to the Shareholders of VLPL the Transferor Company and its Equity Share Capital prior to Amalgamation has been adjusted against Share Premium to the extent of Rs. 168.90 Lacs and the balance of Rs. 335.10 Lacs against Profit & Loss Account as per the Amalgamation Scheme.
5. As required by the Companies (Auditors' Report) order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order, to extent applicable to the Company.
6. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books
 - (iii) The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account

- (iv) In our opinion, the Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 01st September, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of Balance Sheet, of the state of affairs of the company, as at 31st March, 2011.
 - (b) in the case of the Profit and Loss Account, of the profit, for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the Cash Flows, for the year ended on that date.

Place: Hyderabad.

Dated: 01.09.2011

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

sd/-

B. V. RAMANA REDDY
PARTNER

Membership No. 26967
Firm Reg. No. 002020S

ANNEXURE

Re: ORTIN LABORATORIES LIMITED

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

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year, the company has not disposed off a major part of the plant and machinery.
- (ii)
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.



- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not taken loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has granted loan during the previous year to one company covered in the register maintained under section 301 of the Companies Act, 1956 and an amount of Rs. 1,11,000/- is outstanding as on 31st March, 2011.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken/granted from the parties listed in the register maintained under section 301 of the Companies Act are not, *prima facie*, prejudicial to the interest of the company.
- (d) The company is regular in repaying/recovering the principal amounts as stipulated and has been regular in the payment/receiving of interest.
- (e) There was no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, ESI, income tax, sales tax, excise duty and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax and excise duty were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax and excise duty which have not been deposited on account of any dispute.
- (x) In our opinion, the company did not have the accumulated loss as on 31st March, 2011. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks.
- (xii) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence no need to maintain the said records.
- (xiii) In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not raised any fresh share capital by way of public issue or by any other mode during the financial year. Hence, the question of preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures in the history of the company. Hence the creation of securities does not arise.
- (xx) During the year the company has not raised money by way of public issues, hence the verification of end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Hyderabad
Dated: 01.09.2011

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

Sd/-

B.V. RAMANA REDDY
PARTNER

Membership No. 026967
Firm Reg. No. 002020S



ORTIN LABORATORIES LIMITED

BALANCE SHEET AS ON 31st MARCH, 2011

PARTICULARS	SCHEDULE REFERENCE	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
SOURCE OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	A	169,404,000	36,704,000
RESERVES & SURPLUS:	B		
Reserves		8,575,000	15,110,000
Profit & Loss Account		20,914,223	17,556,367
LOAN FUNDS:	C		
Secured Loans		95,908,370	31,951,073
Unsecured Loans		15,797,197	1,115,966
DEFERRED TAX LIABILITY	D	20,670,529	3,291,390
TOTAL		331,269,319	105,728,796
APPLICATION OF FUNDS:			
FIXED ASSETS:	E		
Gross Block		264,176,261	53,110,375
Accumulated Depreciation		37,297,347	14,888,854
Net Block		226,878,914	38,221,521
INVESTMENTS	F	504,171	17,171
CURRENT ASSETS, LOANS & ADVANCES:	G		
Current Assets			
a) Inventories		43,647,967	10,658,627
b) Receivables		213,861,606	62,718,690
c) Cash & Bank Balances		1,914,772	22,186,271
d) Other Current Assets		884,490	315,296
e) Loans & Advances		56,189,662	9,116,676
Total Current Assets, Loans & Advances		316,498,497	104,995,560
CURRENT LIABILITIES & PROVISIONS:	H		
Current Liabilities		194,999,388	31,835,867
Provisions		19,397,517	7,585,526
Total Current Liabilities & Provisions		214,396,905	39,421,393
Net Current Assets		102,101,591	65,574,167
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	I	1,784,643	1,915,937
TOTAL		331,269,319	105,728,796
NOTES ON ACCOUNTS	S		

Schedule A to I and S form an integral part of the Balance Sheet.

As per our report of even date annexed.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B.V. RAMANA REDDY

Partner

M. No. 026967

Firm Reg. No. 002020S

Place: Hyderabad.

Dated: 01-09-2011

For and on behalf of the Board

For ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy

Managing Director

Sd/-

G. Venkat Ramana

Joint Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	SCHEDULE REFERENCE	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
A. INCOME:			
Net Sales	J	651,518,966	314,007,284
Less: Excise Duty		25,119,875	605,855
		626,399,091	313,401,429
Job Work	K	23,457,418	-
Increase/Decrease in WIP & Finished Goods	L	784,761	3,145,620
Other Income	M	1,584,796	732,659
		652,226,066	317,279,708
B. EXPENDITURE:			
Material Consumption	N	534,059,918	268,920,929
Manufacturing Expenses.	O	29,460,902	2,708,729
Employee Cost	P	10,424,038	3,559,861
Administrative & Selling Expenses	Q	36,011,789	24,943,551
Finance Expenses	R	13,579,642	1,244,896
Depreciation	E	6,317,495	1,946,349
Misc. Expenses written off	I	1,164,675	958,000
		631,018,459	304,282,315
Profit for the year before tax		21,207,607	12,997,393
Less: Prior Period Expenditure		564,235	-
		20,643,372	12,997,393
Less: Tax Expense:			
Current Tax		4,833,803	4,418,662
Dividend Tax		1,406,794	639,066
Deferred Tax		(351,097)	361,293
Profit after tax for the year		14,753,871	7,578,372
Less: Proposed Dividend		8,470,200	3,760,320
Net Profit c/d to Balance Sheet		6,283,671	3,818,052
Basic & Diluted Earning per Share		1.56	2.24
No. of Shares used in computing Basic and Diluted EPS		10,383,167	3,670,400
Notes on Account	S		

Schedule J to S, E and I form an integral part of the Profit & Loss Account.

As per our report of even date annexed.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B.V. RAMANA REDDY

Partner

M. No. 026967

Firm Reg. No. 002020S

Place: Hyderabad.

Dated: 01-09-2011

For and on behalf of the Board

For ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy

Managing Director

Sd/-

G. Venkat Ramana

Joint Managing Director



SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
SCHEDULE - A:		
SHAREHOLDERS FUNDS:		
AUTHORISED CAPITAL:		
1,57,50,000 Equity Shares of Rs. 10/- each.	157,500,000	85,000,000
SUBSCRIBED & PAID UP:		
47,00,400 equity shares of Rs. 10/- each. (36,70,400 Equity Shares of Rs. 10/- each.)	47,004,000	36,704,000
Share Capital Suspense Account	122,400,000	-
TOTAL	169,404,000	36,704,000
SCHEDULE - B:		
RESERVES & SURPLUS:		
Share Premium.	-	8,650,000
Capital Reserve.	2,122,500	2,122,500
Share Forfeiture Reserve.	6,452,500	4,337,500
	8,575,000	15,110,000
PROFIT AND LOSS ACCOUNT:		
Opening Balance.	14,630,552	13,738,315
Add: Profit for the Year.	6,283,671	3,818,052
TOTAL	20,914,223	17,556,367
SCHEDULE - C:		
SECURED LOANS:		
Term Loan (PITL 1401)	73,736	879,286
Term Loan (PITL 1020)	-	1,359
(Term loans from Karnataka Bank Ltd., secured by hypothication of Plant & Machinery and other Fixed Assets and second charge on Current Assets, further secured by personal guarantee of the directors)		
Term Loan - 1022	6,211,266	-
Term Loan KBL	7,889,953	-
Cash Credit	78,807,520	29,959,849
(Cash credit from Karnataka Bank Ltd., is secured by present and future raw materials, semi-finished goods, finished goods, stores and secured second charge on fixed assets further secured personal guarantee of Directors)		
Vehicle Loan: Swaraj Mazda	-	91,100
Vehicle Loan: Santro	-	129,648
Vehicle Loan-Innova - 4245	573,290	889,831
Vehicle Loan-Tata Ace - 1152	188,357	-



SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
Vehicle Loan-Verna Car - 4250	492,683	-
Vehicle Loan-I-10 Car - 4255	280,189	-
HDFC - Scoda Loan	435,095	-
HDFC Vehicle Loan	582,755	-
Kotak Mahendra Vehicle Loan	306,296	-
TATA Capital Loan	67,230	-
TOTAL	95,908,370	31,951,073
UNSECURED LOANS:		
Interest free Sales Tax Loan from Government of A.P.	1,115,966	1,115,966
Unsecured Loans from Directors	2,127,341	-
Unsecured loans from Others	12,553,890	-
TOTAL	15,797,197	1,115,966
SCHEDULE - D:		
DEFERRED TAX LIABILITY		
Opening Balance	21,021,626	2,930,097
Add: For the year	(351,097)	361,293
	20,670,529	3,291,390



ORTIN LABORATORIES LIMITED

SCHEDULE FORMING PART OF ACCOUNTS SCHEDULE - E: FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		Cost as on 01/04/2010 Rupees	Adjustment on account of amalgamation	Additions Rupees	Deletions Rupees	Cost as on 31-03-2011 Rupees	Upto 01/04/2010 Rupees	Adjustment on account of amalgamation	For the Year Rupees	Deletions Rupees	Upto 31-03-2011 Rupees	As on 31-03-2011 Rupees	As on 31-03-2010 Rupees
1	Land.	4,131,615	1,225,311	-	-	5,356,926	-	-	-	-	-	5,356,926	4,131,615
2	Factory building.	14,011,595	25,170,070	20,162,464	-	59,344,129	3,280,228	2,142,937	903,290	-	6,326,455	53,017,674	10,731,367
3	Administrative building.	828,135	-	112,220	-	940,355	188,750	-	13,651	-	202,401	737,954	639,385
4	Plant & machinery	12,905,183	102,219,841	37,878,940	-	153,003,964	5,727,229	11,247,788	3,601,801	-	20,576,818	132,427,146	7,177,954
5	Testing equipment.	782,607	5,704,009	1,213,725	-	7,700,341	293,898	676,943	203,493	-	1,174,334	6,526,007	488,709
6	Furniture & fixtures.	2,011,157	201,108	360,190	-	2,572,455	1,272,351	26,972	138,151	-	1,437,474	1,134,981	738,806
7	Electrical fittings	1,402,468	7,188,996	292,972	-	8,884,436	639,073	817,912	238,799	-	1,695,784	7,188,652	763,395
8	Vehicles.	5,031,458	5,346,856	920,573	-	11,298,887	1,315,097	965,892	772,187	-	3,053,176	8,245,711	3,716,361
9	Other assets.	2,045,244	479,049	44,737	-	2,569,030	576,034	51,519	108,750	-	736,303	1,832,727	1,469,210
10	Computer.	1,109,950	499,757	2,196,896	-	3,806,603	1,082,925	179,304	250,980	-	1,513,209	2,293,394	27,025
11	Modixerox.	177,320	-	140,400	112,320	205,400	23,989	-	9,117	18,271	14,835	190,565	153,331
12	Generator Set	311,800	-	-	-	311,800	220,296	-	14,811	-	235,107	76,694	91,504
13	Air conditioner.	1,289,786	-	53,000	-	1,342,786	268,986	-	62,465	-	331,451	1,011,335	1,020,800
14	Capital Work in Progress	7,072,057	4,203,106	2,636,043	7,072,057	6,839,149	-	-	-	-	-	6,839,149	7,072,057
TOTAL		53,110,375	152,238,103	66,012,160	7,184,377	264,176,261	14,888,856	16,109,267	6,317,495	18,271	37,297,347	226,878,914	38,221,519
PREVIOUS YEAR		44,322,726	-	9,739,657	952,008	53,110,375	13,377,150	-	1,946,549	434,645	14,888,854	38,221,521	30,945,576



SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
SCHEDULE - F:		
INVESTMENTS:		
Welcure Drugs 300 equity shares of Rs. 10/-	3,000	3,000
Karnataka Bank Ltd 500 equity shares	9,171	9,171
Manikanta Bank, 100 equity shares of Rs. 50/- each	5,000	5,000
Advance for Purchase of Shares in KBL	187,000	-
DSP Block Rock	300,000	-
TOTAL	504,171	17,171
SCHEDULE - G:		
CURRENT ASSETS, LOANS & ADVANCES:		
INVENTORIES		
Raw Material.	26,604,608	4,031,989
Finished Goods.	14,017,874	6,626,638
Stores & Spares	3,025,485	-
Sub Total	43,647,967	10,658,627
RECEIVABLES:		
Sundry Debtors more than 6 months	25,337,817	4,751,340
Sundry Debtors less than 6 months (Unsecured considered good for which the company holds no security other than debtors personal security)	188,523,789	57,967,350
Sub Total	213,861,606	62,718,690
CASH & BANK BALANCES:		
Cash on Hand.	414,657	745,727
Cash at Banks.	1,500,115	21,440,544
Sub Total	1,914,772	22,186,271
OTHER CURRENT ASSETS:		
T.D.S.	795,190	253,800
Interest Receivable.	89,300	61,496
Sub Total	884,490	315,296
LOANS, ADVANCES & DEPOSITS:		
Modavat & Excise Duty	23,911,608	8,465
Deposits	3,836,120	1,419,190
Fixed Deposits	555,586	270,182
Advances & Deposits	8,301,604	620,319
Advance Tax.	3,000,000	2,800,000
Sales tax Advances.	3,100	3,100
Other Deposits	103,110	103,110
Prepaid Insurance	309,446	37,964
Advance for Land	525,300	3,500,000
Advance Tax FBT	-	25,000
Advance Tax for CST 2005-06	-	175,067
Advance Tax for CST 2006-07	-	28,000
Prepaid Internet Charges	-	1,867
Prepaid AMC	56,265	38,768



SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
Fixed Deposits for LC Margin	9,150,000	-
NSC Bond for N HEXANE	5,000	-
State Excise Deposit	15,000	-
Advance for Capital Goods	5,947,904	-
Prepaid Subscription & Membership Fees	-	6,894
Advance for Expenses	469,619	78,750
Sub Total	56,189,662	9,116,676
TOTAL	316,498,497	104,995,560
SCHEDULE - H:		
<i>CURRENT LIABILITIES & PROVISIONS:</i>		
Current Liabilities:		
Proposed Dividend	8,470,200	3,760,320
Creditors for Supplies.	174,015,033	27,844,673
Creditors for Others	12,366,844	-
Dealers Deposit	25,650	230,874
Advance for Packing Material	121,661	-
Total Current Liabilities	194,999,388	31,835,867
Provisions:		
Provision for Income Tax.	4,833,803	4,418,662
Provision for Income Tax 2010-11 Upto September 2010	7,392,199	-
Dividend Tax	1,406,794	639,066
Outstanding Expenses.	5,764,721	2,527,798
Total Provisions	19,397,517	7,585,526
TOTAL	214,396,905	39,421,393
SCHEDULE - I:		
<i>MISCELLANEOUS EXPENDITURE:</i>		
Public Issue Expenses & Preliminary Expenses	2,949,318	2,873,937
Less: written off	1,164,675	958,000
TOTAL	1,784,643	1,915,937
SCHEDULE - J:		
<i>NET SALES:</i>		
Sales	655,715,174	315,629,626
Less: Returns.	4,196,208	1,622,342
TOTAL	651,518,966	314,007,284
SCHEDULE - K:		
<i>DIRECT INCOME:</i>		
Job Work	23,457,418	-
TOTAL	23,457,418	-

SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
SCHEDULE - L:		
INCREASE/DECREASE IN FINISHED GOODS AND W-I-P:		
Closing Stock of WIP & Finished Goods	14,017,874	6,626,638
Opening Stock of WIP & Finished Goods	13,233,113	3,481,018
Increase/Decrease in WIP and Finished Goods	784,761	3,145,620
SCHEDULE - M:		
MISCELLANEOUS INCOME:		
Interest	356,997	100,484
Dividends.	2,000	6,000
Miscellaneous Income.	733,114	546,468
Long Term Capital Gain on Shares	-	58,003
Insurance Claim Received	-	16,320
Interest on Income Tax Refund	19,746	5,384
Excise Duty Incentive for exports	249,289	-
Profit on Foreign Exchange	223,650	-
TOTAL	1,584,796	732,659
SCHEDULE - N:		
MATERIALS CONSUMPTION:		
Opening Stock.	51,512,288	4,253,082
Add: Purchases.	509,291,178	268,900,582
Less: Returns.	138,940	200,746
	560,664,526	272,952,918
Less: Closing Stock.	26,604,608	4,031,989
Consumption for the year	534,059,918	268,920,929
SCHEDULE - O:		
MANUFACTURING EXPENSES:		
Opening Stock of Engineering Stores:	3,258,985	-
Add: Purchases during the year	3,281,627	898,266
Sub Total	6,540,612	898,266
Less: Closing Stock	3,025,485	-
Consumption for the year	3,515,127	898,266
Electricity charges	13,383,592	328,601
Consumables	214,152	-
Job Work	368,625	-
Pollution & Prevention Charges	27,896	-
Carriage inwards.	776,316	779,974
Analytical charges.	91,959	102,465
Water expenses.	38,935	58,800
Factory Maintenance	72,379	85,587
Wages	10,971,921	455,036
TOTAL	29,460,902	2,708,729

**SCHEDULE FORMING PART OF ACCOUNTS**

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
SCHEDULE - P:		
STAFF COST:		
Salaries	6,882,551	2,626,723
Staff welfare.	1,775,678	170,192
E.S.I. Contribution	65,386	51,575
Provident fund.	856,921	465,263
Professional Tax	11,025	13,100
Security charges	616,317	106,152
Bonus	122,082	126,856
Gratuity	94,078	-
TOTAL	10,424,038	3,559,861
SCHEDULE - Q:		
ADMINISTRATIVE, SELLING & FINANCE EXPENSES:		
Rent.	333,166	304,993
Printing & stationery.	499,914	527,416
Electricity charges.	125,892	99,811
Postage & Courier	263,386	1,025,243
Telephone.	518,972	328,544
Conveyance.	549,288	587,936
Sales tax.	14,239,662	6,873,397
Breakage.	843,502	709,174
Carriage outwards.	896,712	1,398,507
General expenses.	604,991	503,809
Consultancy charges	3,753,938	465,975
Marketing promotion.	991,717	1,220,359
Vehicle maintenance	1,652,914	537,115
Travelling expenses.	1,202,339	1,157,814
Doctor's samples.	7,353	54,625
Advertisement.	117,395	120,903
Listing Fee	61,930	27,134
Directors remuneration.	4,627,170	2,880,000
Business promotion.	508,299	3,382,330
ROC Fee	17,655	4,612
Commission.	49,400	230,697
Licences & taxes	893,917	221,663
SUB TOTAL	32,759,512	22,662,057

SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
Audit fee.	220,600	50,000
Tax audit fee.	33,090	15,000
Tax consultancy fee.	22,060	20,000
Insurance.	181,782	89,527
Discount.	314,444	150,592
Maintenance charges.	310,369	295,778
Subscriptions & membership fee.	73,364	23,494
Property tax	33,012	31,813
Depository transfer charges	28,790	32,063
ICICI Knowledge park Maintenance	32,681	256,533
Annual Maintenance contract	134,056	86,140
Computer maintenance	178,289	369,808
Tender forms	41,321	36,047
Service Tax	1,194	13,705
Books & periodicals.	4,521	1,095
Loss on Sale of Assets	53,649	183,363
Sales Tax CST - 2005-06	175,067	-
Sales Tax CST - 2006-07	108,466	-
Repairs & maintenance: Vehicles	697,798	488,520
Repairs & maintenance: Office Equipment	202,151	96,664
Income tax	250,346	-
Sitting Fee	16,717	19,000
Internet Charges	10,976	7,352
Interest Paid	20,200	-
Loss on Chits	107,334	-
ISO Audit fee	-	15,000
TOTAL	36,011,789	24,943,551
SCHEDULE - R:		
FINANCIAL COST:		
Interest on Cash Credit	6,778,645	460,304
Interest on Term Loan	974,975	298,697
Interest on Vehicle Loans	295,572	-
Bill Discounting & LC Charges	4,667,311	-
Bank Charges	863,139	485,895
TOTAL	13,579,642	1,244,896



SCHEDULE - S:

NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

I. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting:

The Company follows the mercantile system of accounting. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting standards referred to in Section 211(3C) of the Companies Act 1956.

(b) Fixed Assets:

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

(c) Depreciation:

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

(d) Inventories:

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

Raw materials, Stores & Spares - at cost or market price whichever is lower.

Finished goods – at lower of cost or market value on FIFO basis.

(e) Retirement benefits:

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

(ii) Provision has been made in accounts for the future payment of gratuity to the employees of the Company, Pursuant to the payment of Gratuity Act, 1972 under accrual method.

(f) Revenue recognition:

i) Sale is recognized on dispatch of products and is inclusive of Excise Duty, Sales Tax and Packing and forwarding charges.

ii) Interest income is recognized on accrual basis.

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

(g) Investments:

Quoted and un-quoted Investments are valued at cost.

(h) R&D Expenditure:

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

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

(i) Borrowing Costs:

Borrowings costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that



necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(j) Cash Flow Statement:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2011 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by ICAI.

(k) Accounting for Taxes on Income:

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

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

(l) Employee Stock Option Scheme:

The company has not granted any Employee Stock Option Scheme.

(m) Impairment of Assets:

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

(n) Government Grants & Other Claims:

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

(o) Miscellaneous Expenses:

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

(p) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

2. SCHEME OF AMALGAMATION:

The Scheme sanctioned by Hon'ble High Court of Andhra Pradesh is for the



Amalgamation of M/s. Vineet Laboratories Private Limited (VLPL -Transferor Company) with M/s. Ortin Laboratories Limited (OLL - Transferee Company)

Both VLPL and OLL are engaged in similar line of activity, that of manufacture of pharmaceuticals and chemicals. There is synergy of operations between the two companies. The scheme of amalgamation will give more thrust and integrate their business facilities and infrastructure under one single unit. The scheme will be beneficial and advantageous in the long term interest of both the transferor company and the transferee company and its shareholders.

Salient features of the Scheme are:

1. The Scheme would be operative from the Appointed Date, i.e. 01.10.2010 and would be effective from the date on which copies of the order of Hon'ble High Court of Andhra Pradesh sanctioning the Scheme has been filed with the Registrar of Companies, Andhra Pradesh.
2. Authorised Share Capital of OLL is Rs. 8,50,00,000 (Rupees Eight Crores and Fifty Lacs only) divided into 85,00,000 equity shares of Rs. 10/- each and The Authorised capital of VLPL is 7,25,00,000 (Rupees Seven Crores and Twenty Five Lacs only) divided into 72,50,000 equity shares of Rs. 10/- each. After Amalgamation, the combined Authorised capital is Rs 15,75,00,000/- (Rupees Fifteen Crores Seventy Five Lacs only) divided into 1,57,50,000 equity shares of Rs. 10/- each. As per Court order the company has to raise its Authorised Share Capital to Rs. 17,00,00,000 (Rupees Seventeen Crores only) divided into 1,70,00,000 equity shares of Rs. 10/- each. However the company proposed to increase its Authorised Capital to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 equity shares of Rs. 10/- each.
3. Equity Shareholders of VLPL would get 17 Equity Shares of OLL for every 10 Equity Share held in VLPL. Accordingly 1,22,40,000 fully paid-up equity shares of Rs. 10/- each of OLL shall be issued and allotted to the equity shareholders of VLPL in the same proportion as to their shareholding in VLPL.
4. The difference if any, being the excess or shortfall between the assets, liabilities and reserves of the Transferor Company as transferred to the Transferee Company and the consideration discharged shall be adjusted against / transferred to Share Premium Account of the Transferee Company.
5. Accordingly, Equity Share Capital of the Transferee Company would become Rs. 16,94,04,000/- comprising of 1,69,40,400 Equity Shares of Rs. 10/- each.
6. The incidence of adopting uniform Accounting Policies, if any, would be quantified and adjusted in the Share Premium Account of the Transferee Company.
7. All Assets, Liabilities, Rights and Obligations of VLPL would vest with OLL at Book Value as on the Appointed Date, i.e. 1.10.2010.

The Scheme of amalgamation has been sanctioned by Hon'ble High Court of Andhra Pradesh vide its Order dated 29th June, 2011. The scheme became effective from 1st October, 2010, the Appointed Date of the Scheme.

According to the scheme, the amalgamation is to be accounted under the purchase method. However, according to the subsequent paragraphs of the scheme, it is understood that the amalgamation is in the nature of merger and as such, it has been

accounted under the pooling of interests method as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these accounts and all assets and liabilities of the Transferor Company stands transferred to and vested in the Transferee Company with effect from the Appointed Date.

The Share Capital of the erstwhile VLPL (Transferor Company) before amalgamation was Rs. 720.00 lacs. According to the scheme of amalgamation, the Equity Share Capital to be allotted to the Shareholders of VLPL is Rs. 1,224.00 lacs. The difference of Rs. 504.00 lacs between the Equity Share Capital allotted to the Shareholders of VLPL the Transferor Company and its Equity Share Capital prior to Amalgamation has been adjusted in the following manner:

Reserves Utilised	(Rs. In lacs)
Share Premium account	168.90
Profit and Loss account	335.10
Total	504.00

The consideration for the merger of VLPL with OLL is to be discharged by the allotment of 1,22,40,000 fully paid-up equity shares of Rs. 10/- each to the shareholders of erstwhile VLPL and the allotment is under process. Since the shares have not been allotted to the shareholders of the transferor company VLPL as on the reporting date of 31st March, 2011, the share capital of Rs. 1,224.00 lacs to be issued by the company to the shareholders of the transferor company is accounted under 'Shareholders funds' as Share Capital Suspense account.

3. SECURED LOANS:

- a) Term Loans from Karnataka Bank Limited is secured by hypothecation of Plant & Machinery and other Fixed Assets and second charge on current assets of the Company and further secured by Personal Guarantee of Promoter Directors.
- b) Cash Credits include cash credit of Ortin Laboratories from Karnataka Bank Limited and cash credit of erstwhile Vineet Laboratories Pvt. Ltd. from Karnataka Bank Limited, secured by present and future raw materials, semi finished goods, finished goods, stores and secured second charge on Fixed Assets of the Company and further secured by personal guarantee of promoter Directors.
- c) Vehicle Loans are secured by hypothecation of specified vehicles acquired.

4. During the year Sales Tax assessments for the financial year 2005-06 and 2006-07 were completed and an amount of Rs. 1,75,067/- and Rs. 1,08,466/- was paid against the demand of the department.

5. RESEARCH & DEVELOPMENT EXPENSES:

During the year the company has incurred revenue expenditure pertaining to Research and Development of Rs. 87,157/-. Revenue expenditure is shown under respective heads of expenditure. There is no capital expenditure on Research and Development.

6. EMPLOYEE STOCK OPTION SCHEME:

During the year the company has not issued any employee stock option scheme.

**7. SALES TAX DEFERMENT:**

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

8. FOREIGN EXCHANGE TRANSACTIONS:

Particulars	31 March 2011 Rupees
a. Value of imports (VLPL)	6,52,17,628
b. Value of Deemed Exports (Form CT3)	4,29,58,400

During the year, the company has recognized Rs. 2,23,650/- as profit on foreign exchange in the profit and loss account.

9. MANAGERIAL REMUNERATION:

Sl. No.	Name of the Directors	31 March 2011 Rupees
1.	Sri. S. MURALI KRISHNA MURTHY	7,20,000
2.	Sri. S. MOHAN KRISHNA MURTHY	7,20,000
3.	Sri. S. BALAJI VENKATESWARLU	7,20,000
4.	Sri. S. SRINIVAS KUMAR	7,20,000
5.	Sri. G. VENKATA RAMANA	5,59,170
6.	Sri. Bh. SATYANARAYANA RAJU	2,88,000
7.	Smt. G. V. RAMA	3,00,000
8.	Sri. A. RANGA RAJU	3,00,000
9.	Smt. D. RAMAVATHI	3,00,000

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

10. REMUNERATION TO AUDITORS:

	31 March 2011 Rupees
Audit Fee	2,20,600
Tax Audit Fee	33,090
For taxation and other matters	22,600
TOTAL	2,75,750

11. CONTINGENT LIABILITIES:

- The contingent liabilities as on 31st March, 2011 are as follows:
- Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for – NIL.

12. DEFERRED TAX :

	31 March 2011 Rupees
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	22,68,78,914
Net Block as per Income Tax Act	16,46,51,085
Timing Difference	6,22,27,829
Net Tax Liability as on 31-03-2011	2,06,70,529
Less: Deferred Tax Liability as on 31-03-2010	2,10,21,626
Effect on Profit and Loss Account (Deferred Tax for the year)	(3,51,097)

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

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

i. Number of equity shares outstanding at the beginning of the year.	36,70,400
ii. Number of equity shares issued during the year.	13,27,0000
iii. Total number of equity shares outstanding at the end of the year. (used for denominator for calculating EPS)	1,69,40,400 (1,03,83,167)
iv. Profit available to share holders.	1,61,60,666
v. Basic Earning per Share. (face value Rs. 10/-)	1.56

(B) DILUTED EARNING PER SHARE

i. Number of equity shares outstanding as per Point No. iii above.	1,69,40,400
ii. Weighted average number of potential equity shares outstanding	NIL
iii. Weighted average number of shares outstanding (used for denominator for calculating EPS)	1,69,40,400 (1,03,83,167)
iv. Profit available to share holders	1,61,60,666
v. Basic Earning per Share (face value Rs. 10/-)	1.56

Reconciliation of numerator used for the calculation of Earnings per share to Net Profit for the year:

Profit after tax for the year	1,47,53,871
Add: Dividend Tax included in Tax expense	14,06,795
Profit available for shareholders	1,61,60,666

14. RELATED PARTY TRANSACTIONS:

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

- (A) (i) Names of the transacting related parties.
SRI SAI KRISHNA MARKETING ASSOCIATES
- (ii) Description of the relationship between the parties.
Associate Firm.
- (iii) Description of the nature of transaction.
Sales and purchases to/from associates firm in which directors are interested.



(iv) Volume of transaction:

Sales: Rs. 77,17,436/-

Purchases: Rs. 12,10,716/-

The above transactions are not related to the products, which are manufactured at the company's production facilities and it is only a trading transaction.

(v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.

(vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: Dr. 26,86,734/-.

(vii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL

(B) (i) Names of the transacting related parties.

ORTIN BIOTECH PRIVATE LIMITED

(ii) Description of the relationship between the parties.

Associate Company.

(iii) Description of the nature of transaction.

Inter corporate Loan to associate Company in which directors are interested.

(iv) Volume of transaction:

Loan outstanding: Rs. 1,11,000/-

(v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.

(vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: 1,11,000.

(vii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL

(C)(i) Names of the transacting related parties.

WOHLER LABORATORIES PRIVATE LIMITED

(ii) Description of the relationship between the parties.

Enterprise over which key managerial personnel/ their relatives are able to exercise significant influence

(iii) Description of the nature of transaction.

Sales and purchases to/from a company in which directors are interested.

(iv) Volume of transaction:

Sales: Rs. 9,31,267/-

Purchases: Rs. 1,59,522/-

Job work payments Rs. 1,20,000/-

(v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.

(vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: Rs. 45,37,544/-

(vii) Amounts written off or written back in the period in respect of debts due from or to related parties: NIL.

15. SEGMENT REPORTING:

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

16. SHARE CAPITAL:

The authorized capital of the company is Rs. 15,75,00,000/- divided into 1,57,50,000 shares of Rs. 10/- each. According to the scheme of amalgamation approved by the High Court, the authorized capital of the company is to be increased to Rs.17,00,00,000/-, upon the scheme being finally effective. However the company is proposing to increase the authorized capital to Rs. 20,00,00,000/-. Since the formalities with the Registrar of Companies is pending, the authorized capital of the company is shown as the sum total of the authorized share capital of the company before the amalgamation and the authorized share capital of erstwhile VLPL.

Shareholders' funds of Rs. 16,94,04,000/- consists of the paid up capital of the company Rs. 4,70,04,000/- divided into 47,00,400 equity share of Rs. 10/- each and Share Capital Suspense account of Rs. 12,24,00,000/-, which represents the amount of share capital to be issued to the shareholders of erstwhile VLPL pursuant to the scheme of amalgamation.

17 In the opinion of the Board the Current assets, Loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.

18. The balances shown against Sundry Debtors, Sundry Creditors and Advances are subject to confirmation from the respective parties.

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

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

A. PARTICULARS IN RESPECT OF GOODS MANUFACTURED:

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

B. STOCKS, PURCHASES & SALES OF FINISHED GOODS:

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

21. During the year the company has recognized the export incentive on excise duty of Rs. 2,49,289/- as income in the profit and loss account.

22. During the year it was proposed to declare dividend of 5% on paid up Share Capital.

23. During the year the company has amortized 20% of preliminary expenses i.e. Rs. 11,64,675/-.



ORTIN LABORATORIES LIMITED

24. During the year the following provisions were made:

	Rupees
Current Tax	48,33,803
Dividend	84,70,200
Dividend Tax	14,06,794
Gratuity	94,078

25. The company's investments are stated at cost price in financial statements.
The cost price and market value of mutual funds and Shares are given below:

S. No	Name of the fund	Cost In Rupees	Market price In Rupees
1.	Welcure Drugs	3,000	489
2.	Karnataka Bank Ltd	9,171	53,750
3.	Karnataka Bank Ltd	1,87,000	Share to be Allotted
4.	Manikanta Bank,	5,000	(unquoted)
5.	DSP Block Rock	3,00,000	3,23,402

Investments were stated at cost price in the financial statements.

26. Disclosure under clause 32 of the Listing Agreement:

- (a) Loans and Advances in the nature of Loans to Subsidiary Company NIL
- (b) Loans and Advances in the nature of Loans to Associate Company NIL
- (c) Loans and Advances in the nature of Loans where there is:
- (1) No repayment schedule or repayment beyond 7 years NIL
- (2) No interest or interest below section 372 A of Companies Act NIL
- (d) Loans and Advances in the nature of Loans to firms/companies
In which directors are interested Rs. 1,11,000
- (e) Investment by the Loan in the shares of the parent company
And subsidiary company, when the company has made a loan
Or advance in the nature of loan NIL

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

28. All the amounts are rounded of to the nearest rupee.

Signature to Schedule 'A' to 'S'

As per our attached report of even date.

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

Sd/-

B.V.RAMANA REDDY

PARTNER

M. No. 026967

Firm Reg. No. 002020S

PLACE: HYDERABAD.

DATED: 01-09-2011

On behalf of the Board

For ORTIN LABORATORIES LIMITED

Sd/-

S.MURALI KRISHNA MURTHY

Managing Director

Sd/-

G. VENKAT RAMANA

Joint Managing Director



AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow statement of **ORTIN LABORATORIES LIMITED**, Hyderabad for the period ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by report of 1st September, 2011 to the members of the Company.

For **MATHESH & RAMANA**
CHARTERED ACCOUNTANTS

Sd/-

B.V. RAMANA REDDY
PARTNER

Membership No. 026967
Firm Reg. No. 002020S

Place: Hyderabad
Date : 01.09.2011



CASH FLOW FROM OPERATION ACTIVITIES

PARTICULARS	31-03-2011	31-03-2010
Net profit before tax	20,643,372	12,997,393
ADD:Depreciation	6,317,495	1,946,349
ADD: Misc. Expenses	1,164,675	958,000
ADD:Interest	6,778,645	460,304
Less:Interest received	356,997	100,484
Less:Misc. income	1,227,799	632,175
Operating Profit	33,319,391	15,629,387
Increase in inventories	33,075,411	(2,924,527)
Increase in debtors	(2,349,256)	(2,202,937)
Increase in loan & advances	(9,352,040)	(47,872)
Increase/Decrease in current liabilities	(27,403,534)	13,103,684
Cash generated from operations	27,289,972	23,557,735
less:Tax expense	4,833,803	4,418,662
Less:Interest paid	6,778,645	460,304
Cash from operations	15,677,524	18,678,769
Increase in Investments	(170,103)	9,172
Add: Misc. Income	1,227,799	632,175
Add: Additions to Fixed Assets	(58,846,053)	(9,222,294)
Add: Interest Received	356,997	100,484
Net Cash Used in Investing	(57,431,360)	(8,480,464)
Receipts from share capital	20,655,000	-
Receipts from new borrowings	(11,982,886)	(25,444,584)
Net Cash Used Financing Activity	8,672,114	(25,444,584)
Net cash Flow	(33,081,722)	(15,246,279)
Opening Balance	22,186,271	37,432,550
Add: Opening Balance of Vineet Laboratories on account of Merger	12,810,221	-
Net cash Flow	(33,081,722)	(15,246,279)
Cash and Cash Equivalents	1,914,770	22,186,271

As per our report of even date annexed.

For MATHESH & RAMANA

Chartered Accountants

Sd/-

B.V.RAMANAREDDY

Partner

M. No. 026967

Firm Reg. No. 002020S

Place: Hyderabad.

Dated: 01-09-2011

For and on behalf of the Board

For ORTIN LABORATORIES LIMITED

Sd/-

S. Murali Krishna Murthy

Managing Director

Sd/-

G. Venkat Ramana

Joint Managing Director



ORTIN LABORATORIES LIMITED

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

PROXY FORM

Folio No: _____ DPID: _____ Client ID: _____

I/We _____ of _____ in the District of _____ being a member/members of the above named company, hereby appoint Mr./Mrs./Ms _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held at Flat No. 502, Palem Towers, Barkatpura, Hyderabad-500 027 at **11.00 AM on Friday, the 30th September, 2011** and at any adjournment thereof.

Signed this _____ day of _____ 2011

Address _____

Signature _____

Note: The Proxy form duly signed completed must be signed deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting. A proxy need not be a member.

----- TEAR HERE -----

ORTIN LABORATORIES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company at Flat No. 502, Palem Towers, Barkatpura, Hyderabad - 500 027 at **11.00 AM on Friday, the 30th September, 2011** and at any adjournment thereof.

Name of attending shareholder

(In Block Letters)

Name of the proxy

(to be filled in if the proxy attends instead of the shareholders)

SIGNATURE OF THE SHAREHOLDER/PROXY

Ledger Folio No: _____

Distinctive Number of Shares _____

DP ID _____ CLIENT ID _____

Note: Shareholders/Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature there on.

Book Post

If undelivered, please return to:

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

Andhra Pradesh, India

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

E-mail: info@ortinlabsindia.com

Website: www.ortinlabsindia.com