

To,

Date: 08.09.2022

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

Sub: Submission of the 35<sup>th</sup> Annual Report for the year 2021-22 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code: BSE -539287, NSE - ORTINLAB

Unit: Ortin Laboratories Limited

With reference to the subject cited, pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, we are herewith enclosing the 35<sup>th</sup> Annual Report of the Company for the Financial Year 2021-22. The Annual General Meeting of the Company is scheduled to be held on Friday, 30<sup>th</sup> Day of September, 2022 at 11:00 a.m. through video conferencing/Other Audio-Visual Means.

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

Thanking you.

Yours sincerely,  
For Ortin Laboratories Limited

S. Murali Krishna Murthy  
Managing Director  
DIN: 00540632

Encl: as above



**ORTIN LABORATORIES LIMITED**

**35<sup>th</sup>  
ANNUAL REPORT  
2021-2022**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

- |                                 |  |
|---------------------------------|--|
| 1. Mr. J. R. K. Panduranga Rao  | - Chairman & Independent Director (DIN:00294746) |
| 2. Mr. S. Murali Krishna Murthy | - Managing Director (DIN: 00540632)              |
| 3. Mr. S. Srinivasa Kumar       | - Whole Time Director & CFO (DIN: 02010272)      |
| 4. Mr. G. Venkata Ramana        | - Non-Executive Director (DIN: 00031873)         |
| 5. Mr. S. BalajiVenkateswarlu   | - Non-Executive Director (DIN: 02010148)         |
| 6. Mr. Bh. Satyanarayana Raju   | - Non-Executive Director (DIN: 02697880)         |
| 7. Mr. B. Gopal Reddy           | - Independent Director (DIN: 06716560)           |
| 8. Mr. Murali Krishna Rayaprolu | - Independent Director (DIN: 08928502)           |
| 9. Ms. Pottur Sujatha           | - Independent Director (DIN: 08979645)           |

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Nitesh Kumar Sharma

### REGISTERED OFFICE

D. No. 1-8-B4, Ground Floor, F3 HIG,  
Block-4, Street no. 3, Baghlingampally  
Hyderabad -500044 Telangana  
Ph: 040-27562055  
Email: info@ortinlabsindia.com

### Works:

Plot No.275 & 278, I.D.A,  
Pashamylaram, Sangareddy  
District-502307 Telangana

### CORPORATE IDENTITY NUMBER

L24110TG1986PLC006885

### STATUTORY AUDITOR

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

### SECRETARIAL AUDITOR

Vivek Surana & Associates  
Practicing Company Secretaries  
Hyderabad

## **BANKERS**

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

## **AUDIT COMMITTEE:**

1. Ms. Pottur Sujatha - Chairperson
2. Mr. J.R.K. Pandu Ranga Rao - Member
3. Dr. B. Gopal Reddy - Member

## **NOMINATION & REMUNERATION COMMITTEE:**

1. Ms. Pottur Sujatha - Chairperson
2. Mr. J.R.K. Pandu Ranga Rao - Member
3. Dr. B. Gopal Reddy - Member

## **STAKEHOLDER RELATIONSHIP COMMITTEE:**

1. Mr. J.R.K. Pandu Ranga Rao - Chairman
2. Ms. Pottur Sujatha - Member
3. Dr. B. Gopal Reddy - Member

## **INDEPENDENT DIRECTORS**

1. Ms. Pottur Sujatha
2. Mr. J. R. K. Panduranga Rao
3. Dr. B. Gopal Reddy
4. Mr. Murali Krishna Rayaprolu

## **REGISTRAR & SHARE TRANSFER AGENTS**

KFin Technologies Limited  
Selenium Tower B, Plot No. 31&32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad-500 032  
Tel: 040-67161500 Fax 040-23001153

**LISTED AT** : BSE Limited, National Stock Exchange of India Limited  
**ISIN** : INE749B01020  
**WEBSITE** : [www.ortinlabsindia.com](http://www.ortinlabsindia.com)  
**INVESTOR E-MAIL ID** : [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)

## NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Ortin Laboratories Limited will be held on Friday, 30th day of September, 2022 at 11:00a.m. through Video Conferencing/ Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at March 31st, 2022, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Bh. Satyanarayana Raju (DIN:02697880) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. G. Venkata Ramana (DIN:00031873) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s.Mathesh&Ramana, Chartered Accountants, Hyderabad as Statutory Auditors and to fix their remuneration:

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

**“RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/s. Mathesh& Ramana, Chartered Accountants (Firm Registration No:002020S), be and are hereby appointed as the Statutory Auditors of the Company in place of M/s Sathuluri& Co, the retiring statutory auditors, to hold the office for 1st term of five (5) consecutive years commencing from the conclusion of 35th Annual General Meeting till the conclusion of 40th consecutive Annual General Meeting at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus taxes as applicable.”

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

### SPECIAL BUSINESS:

5. Payment of Remuneration to Mr. S. BalajiVenkateswarlu, Non - Executive Director of the Company

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

**“RESOLVED THAT** in accordance with the provisions of Sections 197,198 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, as amended from time to time, consent of the members of the Company be and is hereby

accorded to fix the remuneration of Mr. S. BalajiVenkateswarlu, Non Execution Director of the Company uptoRs. 1,00,000/- p.m. w.e.f. 01.12.2021 for the period of three years i.e., upto 30.11.2024 and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

**“RESOLVED FURTHER THAT** the above remuneration shall be in addition to the fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors or any Committee thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.”

**“RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the remuneration payable to the Non-Executive Director shall be within the maximum permissible limits specified under Section I of Part II of Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution including filing of all such necessary documents as may be required in this regard.”

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

**Sd/-**

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

**Place: Hyderabad  
Date: 05.09.2022**

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and Circular No. 03/2022 dated 05.05.2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company shall be held through VC/OAVM. The deemed venue for the 35th AGM shall be the Registered Office of the Company.
2. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
5. M/s. KFin Technologies Limited (KFinTech) will be providing facility for voting through remote e-voting, for participation in the 35th AGM through VC/OAVM and e-voting during the AGM.
6. Members may join the 35th AGM through VC/OAVM by following the procedure which shall be kept open for the Members from 10:45 a.m. i.e., 15 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM 15 minutes after the scheduled time to start the 35th AGM. The detailed instructions for participating in the 35th AGM through VC/OAVM are given as a separate attachment to this Notice.
7. Members may note that the VC/OAVM provided by KFinTech, allows participation of at least 2000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

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8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from 24.09.2022 to 30.09.2022 (both days inclusive). Valid Transfers of Shares received at the office of Registrar and Transfer Agents of the Company, KFintech, before the close of business hours on 23.09.2022.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFintech for assistance in this regard.
11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's Registrars and Transfer Agents, KFintech, in case the shares are held by them in physical form.
12. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, inter alia mandated furnishing of PAN, email address, mobile number, bank account details and nomination by shareholders holding shares in physical form and also mandated that any service request shall be entertained only upon registration of the PAN, Bank details and the nomination. SEBI had also asked the shareholders to ensure their PAN is linked to Aadhaar by March 31, 2022 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of their folio. Company's Registrar and Transfer Agent, KFintech, has sent physical letters to all the shareholders of the Company holding shares in physical form in this regard on 28.03.2022 requesting them to furnish the required documents/details within due timelines.
13. Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars and Transfer Agents, KFintech, in case the shares are held by them in physical form.
14. SEBI has directed listed Companies to use electronic payment modes such as NEFT, RTGS, ECS etc., for payments to the investors. Members are requested to update their bank details such as MICR, IFSC code etc., with the Registrar and Transfer Agents, KFintech by submitting a cancelled cheque, while Members holding shares in electronic form are requested to update such bank details with their respective Depository Participants.
15. Members who have multiple folios in identical names or joint names in the same order are requested to intimate the Registrar and Transfer Agents, KFintech about these folios to enable consolidation of all such shareholdings into one folio.
16. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DOP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participant transacting in the securities market, irrespective of the amount of transaction. In



continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Share Transfer Agent for registration of such transfer of shares.

17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)
19. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolution proposed to be passed at AGM by electronic means. The detailed instructions for e-voting are given as a separate attachment to this Notice. The Members, whose names appear in the Register of Members/List of Beneficial Owners as on close of business hours of 23.09.2022, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place (remote e-voting).

The remote e-voting period will commence at 9.00 A.M. on 27.09.2022 and will end at 5.00 P.M. on 29.09.2022. Members who have cast their vote by remote e-voting prior to the 35th AGM may also participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The Members joining the AGM through VC/OAVM, who have not cast their vote by remote e-voting shall be eligible to vote through e-voting system at the e-AGM.

20. The Company has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 48 hours of conclusion of the AGM, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, and the result of the same will be disclosed forthwith. The Company has appointed M/s. KFin Technologies Limited as the Agency for the purpose of facilitating the electronic voting.
21. In compliance with the above referred MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com), websites of the Stock Exchanges i.e. BSE Limited and

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National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Company's Registrar and Transfer Agent, KFintech at <https://evoting.kfintech.com/>

22. For receiving all communication (including Annual Report) from the Company electronically:
- Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com) or to KFintech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
  - Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.
23. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

### **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E- VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e- Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.
- Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DP to access e-Voting facility.
- The remote e-Voting period will commence at 9.00 A.M. on Tuesday, 27.09.2022 and will end at 5.00 P.M. on Thursday, 29.09.2022.
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date 23.09.2022.
- Any person holding shares in physical form and nonindividual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he/she is already registered with KFintech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

- g. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individualshareholders holding securities in demat mode.”
- h. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non individual shareholders in demat mode.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate in e-AGM and vote at the AGM.

**DETAILS ON STEP 1 ARE MENTIONED BELOW:**

**Login method for remote e-Voting for Individualshareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing user who have opted for Easi/Easiest               <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> </li> <li>1. User not registered for Easi/Easiest               <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields</li> <li>III. Follow the steps given in point 1</li> </ol> </li> <li>2. Alternatively, by directly accessing the e- Voting website of CDSL               <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.</li> </ol> </li> </ol>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility:             <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period</li> </ol> </li> <li>2. User not registered for IDeAS e-Services:             <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1.</li> </ol> </li> <li>3. Alternatively, by directly accessing the e- Voting website of NSDL             <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting ServiceProvider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
<p>Individual Shareholders (holding securities in Demat mode) log in through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period without any further authentication</p>

**Important note:**

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542- 43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**DETAILS ON STEP 2 ARE MENTIONED BELOW:**

Login method for e-Voting for shareholders other than Individual’s shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
  - i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on “LOGIN”.
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Ortin Laboratories Limited-AGM’ and click on “Submit”.

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



**DETAILS ON STEP 3 ARE MENTIONED BELOW:**

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

- i. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/OAVM shall be open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries at least 5 days in advance mentioning their name, demat account number/folio number, email id, mobile number at [atinfo@ortinlabsindia.com](mailto:atinfo@ortinlabsindia.com). Questions/queries received by the Company shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC/OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

**OTHER INSTRUCTIONS**

- i. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Speaker Registration' which will be opened from 9.00 A.M. on 20.09.2022 to 5.00 P.M. on 26.09.2022. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers

## ORTIN LABORATORIES LIMITED

at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option which will be opened from 9.00 A.M. on 20.09.2022 to 5.00 P.M. on 26.09.2022.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or write at [atvoting@kfintech.com](mailto:atvoting@kfintech.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the close of 23.09.2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
    - a. Example for NSDL: MYEPWD<SPACE> IN12345612345678
    - b. Example for CDSL: MYEPWD <SPACE> 1402345612345678
    - c. Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

### **OTHER INSTRUCTIONS:**

- i. The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 23.09.2022.
- ii. The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.



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- iii. Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the Annual General Meeting of the Company.
  - iv. If a Member cast votes by both modes, then voting done through remote e-voting shall prevail.
  - v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com) and will be communicated to the Stock Exchanges of the Company i.e. BSE Limited and National Stock Exchange of India Limited.
27. Relevant documents referred to in the accompanying Notice, as well as Annual Report is open for inspection at the Registered Office of the Company, during the office hours, on all working days up to the date of Annual General Meeting.
28. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

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

**Sd/-**

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

**Place: Hyderabad  
Date: 05.09.2022**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATIONS OF SEBI (LODR), REGULATIONS, 2015**

**ITEM 4: APPOINTMENT OF M/S. MATHESH & RAMANA, CHARTERED ACCOUNTANTS, HYDERABAD AS STATUTORY AUDITORS AND TO FIX THEIR REMUNERATION:**

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Sathuluri & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 years in the AGM held on 29.09.2017 upto the conclusion of the forthcoming 35th Annual General Meeting and accordingly their term of 5 years has come to an end with the conclusion of 35th AGM of the Company. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Sathuluri & Co., Chartered Accountants during their association with the Company as its auditors.

The Audit Committee recommended M/s. Mathesh & Ramana, Chartered Accountants (Firm Registration No. 002020S), as the Company's new Statutory Auditor in place of retiring auditors. The proposed auditors have confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Thus, based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s. Mathesh & Ramana, Chartered Accountants, (Firm Registration no. 002020S), as the Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 40th Annual General Meeting to be held in the year 2027, subject to the approval of the members at a statutory audit fee of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus taxes as applicable. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

**BRIEF PROFILE OF M/S. MATHESH & RAMANA**

M/s. Mathesh & Ramana, Chartered Accountants, an accounting and consulting firm based in Hyderabad, Telangana, India. The firm has come into existence in the year 1988 duly registered With ICAI and under Indian partnership act 1932. The firm comprises of three Fellow Chartered Accountants each one of them specialized in one service segment and coordinates the other activities specified under "Services". It has its own premises, adequate staff and infrastructure capable of rendering the services.

**The Core Team:**

- K. Mathesh Reddy: Tax advisory services, Certification services, Accounting & Audit services.
- B. V. Ramana Reddy: Project Funding Services, Certification Services, Accounting, Audit & Assurance services and Documentation services.
- K. Vivek Reddy: Tax advisory services, GST Representation Services, Certification services, Corporate Advisory Services, Project Funding Services and Audit & Assurance services.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

Disclosures made by the Company under Regulation 36(5) of SEBI (LODR) Regulations 2015, for seeking appointment of M/s. Mathesh & Ramana

Sl. No.	Particulars	Details
1.	Proposed fees	Rs. 1,50,000/- Per annum
2.	Terms of Appointment	For a period of 5 years from conclusion of this Annual General Meeting till the Conclusion of 40th Annual General Meeting to be held for the FY 2026-27.
3.	Basis of recommendation	Audit Committee and Board
4.	Credentials of Statutory auditor	As mentioned above

**ITEM5: Payment of Remuneration to Mr. S. Balaji Venkateswarlu, Non - Executive Director of the Company**

Looking to the competitive business environment, stringent accounting standards, corporate governance norms and consequent increase in the contribution of Mr. S. Balaji Venkateswarlu Non-Executive Director in the growth of the Company, it is considered prudent and appropriate to remunerate Mr. S. Balaji Venkateswarlu for giving his time to the Company and inputs in its strategic decisions. As the Company is in the growth trajectory, the Company may or may not have adequate profits or may incur loss.

Based on the recommendations of the Nomination and Remuneration Committee, and having considered the contributions made by Mr. S. Balaji Venkateswarlu, the Board in its meeting held on 05.09.2022 has fixed the remuneration of Mr. S. Balaji Venkateswarlu, Non-Executive Director upto Rs. 1,00,000 p.m. with effect from 01.12.2021 for the period of three years i.e., upto 30.11.2024.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 5.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. S. Balaji Venkateswarlu himself S.Srinivas Kumar, Whole time director and S. Murali Krishna Murthy, Managing Director, is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

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

1	Nature of Industry : Pharmaceutical Industry		
2	Date or expected date of commencement of commercial: The Company started its commercial operations on 27.10.1986		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable		
4	Financial performance based on given indications		
	Particulars	2021-22 (Rs.in lakhs )	2020-21 (Rs.in lakhs )
	Turnover	842.53	821.75
	Net profit after Tax	(39.87)	94.55
			2019-20 (Rs.in lakhs )
			19757.91
			(56.39)
5	Foreign investments or collaborations, if any: Not Applicable		

**II. INFORMATION ABOUT THE APPOINTEE:**

1.	Background Details: He is graduate in B.Com & he is having more than 40 years experience in the Pharma Industry in Marketing.
2.	Past Remuneration: NA
3.	Recognition or awards: Nil
4.	Job Profile and his suitability: Keeping the past record of Mr. S. Balaji Venkateswarlu in mind and his contribution towards the Company, it is proposed to fix the remuneration of Mr. S. Balaji Venkateswarlu, Non-Executive Director of the Company.
5.	Remuneration proposed: As set out in the resolution for the item No.5 the remuneration to Mr. S. Balaji Venkateswarlu, Non-Executive Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mr. S. Balaji Venkateswarlu, Non-Executive Director and time given by him to the Company and inputs in the strategic decisions of the Company, the aforesaid remuneration package is commensurate with the remuneration package paid to Non-Executive Director in other companies.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: S. Murali Krishna Murthy & S. Srinivas Kumar are relatives

**III. OTHER INFORMATION:**

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

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

**Sd/-**

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

**Place: Hyderabad  
Date: 05.09.2022**

## BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 35th Board's Report and the Audited Financial Statement of the Company for the Financial Year ended 31st March 2022.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS AND STATE OF AFFAIRS:

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

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Revenue from Operations	823.08	816.74
Other Income (Including Exceptional Items)	19.45	5.01
Total Revenue	842.53	821.75
Total Expenses	895.52	808.11
Profit Before Tax	(53)	13.65
Less: Tax expense	13.12	(86.60)
Profit / (Loss) After Tax	(39.87)	94.55
Other Comprehensive Income	0	0
Total Comprehensive Income	(39.87)	94.55
Earning per Equity Share- Basic & Diluted (in Rs.)	(0.05)	1.16

### 2. REVIEW OF OPERATIONS:

The total revenue of the Company for the financial year under review was Rs. 842.53 Lakhs as against Rs. 821.75 Lakhs for the previous financial year. The company recorded a net loss of Rs. 39.87 Lakhs for the financial year 2021-22 as against the net profit of Rs. 94.55 Lakhs for the previous year.

### BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

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

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

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

**4. RESERVES:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, company has not proposed to transfer any amount to general reserves account of the company during the year under review.

The Closing balance of reserves, including retained earnings, of the Company as at March 31st 2022 is Rs. 282.54 Lakhs.

**5. DIVIDEND:**

The directors have not recommend dividend for the year 2021-22.

**6. TRANSFER OF SHARES AND UNPAID/UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount /shares is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

**7. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report (i.e., 05.09.2022)

**8. BOARD MEETINGS:**

The Board of Directors duly met Six (6) times during the financial year from 1st April 2021 to 31st March 2022 on 02.05.2021, 09.07.2021, 14.08.2021, 13.11.2021, 03.12.2021 and 14.02.2022 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**9. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:**

- Mr. S. Mohan Krishna Murthy, Whole time Director passed away on 26.11.2021. The Board places on record its sincere appreciation for the services rendered by him during his association with the company.
- Re-appointment of Mr. S. Murali Krishna Murthy (DIN: 00540632) as Managing Director of the Company for the period of 3 years w.e.f 27.01.2022.
- Mr. Bh. Satyanarayana Raju (DIN:02697880) who retires by rotation and being eligible, offers himself for re-appointment.
- Mr. G. Venkata Ramana (DIN:00031873) who retires by rotation and being eligible, offers himself for re-appointment.

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

<b>Name of the Director</b>	<b>Mr. Bh. Satyanarayana Raju</b>	<b>Mr. G. Venkata Ramana</b>
Qualification	Graduate	M.SC
Brief Resume	<p>Mr. Satyanarayanaraju Bhupathiraju aged about 70 years is a S.S.L.C. His post qualification experience is over 45 years and has been in the fields of Finance, accounts, Taxation and Treasury Management. He is working as CFO and Whole-time Director of Ortin Laboratories Limited. Mr. Satyanarayanaraju Bhupathiraju is on Board of Directors of Vineet Life Sciences Private Limited.</p>	<p>Mr. Gaddam Venkata Ramana aged about 52 years, is a Master of Science in chemistry. His post qualification experience is over 30 years and has been in the fields of Finance, accounts, secretarial and general management. He worked as the Joint Managing Director of Ortin Laboratories Limited for past 10 years. Mr. Gaddam Venkata Ramana is on Board of Directors of various companies like Satyadeva Organosys Private Limited, V S R Life Sciences Private Limited, Vineet Life Sciences Private Limited, Vineet Chem Trade Private Limited, HECS Hyderabad Private Limited.</p>
Expertise in specific	Administration and Finance	Administration
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Vineet Laboratories Limited	Vineet Laboratories Limited



No. of Shares held in the Company	23,672 Equity Shares	2,49,985 Equity Shares
Inter se relationship with any Director	-	-

**10. REVISION OF FINANCIAL STATEMENTS:**

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

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

The Company has received declarations from all the Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and under regulation 16(1)(b) read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the year, Non-executive Director had no pecuniary relationship or transactions with the Company, other than sitting fees, their holding, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s) except Mr. SankaBalajiVenkateswarlu, Non-Executive Director holds 1,53,132 Equity shares, Mr. Bh. Satyanarayana Raju and Mr. G. Venkata Ramana, Non-Executive Directors holds 23,672 and 2,49,985 Equity Shares in the Company.

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

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

**13. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

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

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

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

### **14. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(3)(C) and 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **15. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

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

### **16. ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on the website of the company i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com).

### **17. STATUTORY AUDITORS:**

At the 30th Annual General Meeting held on 29.09.2017, the members of the company approved the appointment of M/s. Sathuluri & Co., Chartered Accountants as Statutory Auditors of the company for the term of five years from the conclusion of that Annual General meeting upto conclusion of 35th Annual General meeting to be held for financial year 2021-22 and is eligible for reappointment.

The Board in its meeting held on 05.09.2022 appointed M/s. Mathesh & Ramana, Chartered Accountants as Statutory Auditors for the period of 5 years in place of M/s. Sathuluri & Co., Chartered Accountants from the conclusion of ensuing AGM for FY 2021-22 till the conclusion of Annual General Meeting to be held in the calendar year 2027, subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

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

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**19. DISCLOSURE ABOUT COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

**20. INTERNAL AUDIT AND FINANCIAL CONTROLS:**

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

**21. INTERNAL AUDITOR:**

During the year, no Internal Auditor was appointed for the year 2021-22.

**22. SECRETARIAL AUDITOR:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Vivek Surana & Associates, Practising Company Secretaries (CP No. 12901) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2022.

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. Vivek Surana & Associates, Practising Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31.03.2022. The report of the Secretarial Auditor is enclosed herewith vide Annexure-I of this Report.

**23. QUALIFICATIONS IN AUDIT REPORTS:**

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

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2022 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2022

## ORTIN LABORATORIES LIMITED

on the Compliances according to the provisions of Section 204 of the Companies Act 2013, and has noted that there are no observations except the following:

1. non-appointment of internal auditor in terms of Section 138 of the Companies Act, 2013. The Board is in the process of appointing Internal Auditor.
  2. Delay in Filing Audited Financial Results for the Quarter and Year Ended 31.03.2022.
- (c) Annual Secretarial Compliance Report:

The Company has filed the Annual Secretarial Compliance Report for the year 2021-22 with the BSE Limited and National Stock Exchange of India Limited. The report was received from a Practicing Company Secretary and filed with both the Exchanges.

### **24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review, the Company has not given loans, Guarantees or made any investments exceeding the limits as prescribed under the provisions of section 186 of the Companies Act, 2013.

### **25. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-22, there were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large. The transactions with the related parties are routine and repetitive in nature

All related party transactions were placed before the Audit Committee/Board for review and approval.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure-II to this report.

During the year, the Company amended the Policy on Dealing with Related Party Transactions ('RPT Policy') which was approved by the Board of Directors to give effect to the amendments in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. The RPT Policy is available on the Company's website at [www.ortinlabsindia.com](http://www.ortinlabsindia.com).

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

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

### **27. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

#### **A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to

conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

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

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

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

**28. COMMITTEES:**

**(I). AUDIT COMMITTEE:**

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

**(II). NOMINATION AND REMUNERATION COMMITTEE:**

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

**(III). STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

**29. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015, the Board of Directors has formulated a Whistle Blower Policy. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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

**30. COMPOSITION OF CSR COMMITTEE AND CSR POLICY:**

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

**31. PUBLIC DEPOSITS:**

The Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**32. DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:**

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

**33. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:**

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

**34. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

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

**35. INSURANCE:**

The properties and assets of your Company are adequately insured.

**36. CREDIT & GUARANTEE FACILITIES:**

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

**37. RISK MANAGEMENT POLICY:**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Risk Management Committee of the Board of Directors of your Company assists the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and



(b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, other risks have been identified and assessed, and there is an adequate risk management infrastructure in place capable of addressing those risks. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

### **38. AUTHORISED AND PAID-UP CAPITAL OF THE COMPANY**

The authorised share capital of the Company as on 31st March 2022 stood at Rs.9,60,00,000 divided into 96,00,000 equity shares of the face value of Rs. 10/- each.

The issued, subscribed and paid up share capital of the Company as on 31st March 2022 stood at Rs. 8,13,13,920 divided into 81,31,392 equity shares of the face value of Rs. 10/- each.

### **39. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

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

### **40. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

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

### **41. POLICIES:**

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

### **42. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:**

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

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

### **43. STATUTORY COMPLIANCE:**

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

### **44. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

**(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

All employees are covered under this policy. During the year 2021-22, there were no complaints received by the Committee.

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

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure–Va to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure–Vb to this report.

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

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

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (Mr.S. Murali Krishna Murthy) and Whole-Time Directors (Late Mr. S. Mohan Krishna Murthy and Mr. S. Srinivas Kumar) of the Company to the median remuneration of the employees is 2.27:1, 1.29:1 and 2.09:1 respectively.

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

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

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

**48. BOARD EVALUATION:**

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



## ORTIN LABORATORIES LIMITED

Directors.

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

The Directors were given evaluation forms for the following:

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

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

1. fair;
2. satisfactory; and
3. very satisfactory.

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

### **49. SECRETARIAL STANDARDS:**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

### **50. EVENT BASED DISCLOSURES:**

During the year under review, the Company has taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA
8. Shifting of Registered Office: The Registered Office of the Company has shifted from D. No: 3-4-512/35 (43/4RT), Opp. Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana to

## ORTIN LABORATORIES LIMITED

D.NO.1-8-B4,Ground Floor, F3 HIG,Block-4,Street No.3, Baghlingampally, Hyderabad-500044,Telangana w.e.f. 14.02.2022.

### 51. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, there were no applications made or proceedings pending in the name of the Company under Insolvency and Bankruptcy Code, 2016.

### 52. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

### 53. DEVIATIONS, IF ANY OBSERVED ON FUNDS RAISED THROUGH PUBLIC ISSUE, PREFERENTIAL ISSUE ETC:

During the year under review, company has not raised any funds from public or through preferential allotment.

### 54. DECLARATION BY THE COMPANY:

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Companies Act, 2013, as on March 31, 2022.

### 55. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

During the year, None of the Non-executive Directors including Independent Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, their holding and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s) except Mr. Sanka Balaji Venkateswarlu, Non-Executive Director who holds 1,53,132 Equity shares, Mr. Bh. Satyanarayana Raju and Mr. G. Venkata Ramana, Non Executive Directors who holds 23,672 and 2,49,985 Equity Shares respectively in the Company.

### 56. CEO/ CFO Certification

The Managing Director and CFO certification of the financial statements under regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the year 2021-2022 is annexed in this Annual Report.

### 57. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

For Ortin Laboratories Limited

Sd/-

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

Sd/-

S. Srinivas Kumar  
Whole time Director & CFO  
(DIN: 02010272)

Place: Hyderabad  
Date: 05.09.2022

**Annexure I**  
**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(Pursuant to section 204(1) of the Companies Act, 2013 and**  
**Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel)**  
**Rules, 2014**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

To,  
The Members  
Ortin Laboratories Limited  
Hyderabad

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

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2021 and ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2022 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI ACT’) is furnished hereunder for the financial year 2021 - 2022:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **The Company has complied with required provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the**

same on the Company's website i.e. <https://www.ortinlabsindia.com>

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFin Technologies Limited as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
  - a) The Code on Wages, 2019
  - b) The Code on Industrial Relations, 2020
  - c) The Code on Social Security, 2020
  - d) The Occupational Safety, Health and Working Conditions Code, 2020
  - e) Shops and Establishment Act, 1948
  - f) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975
  - g) The Air (Prevention and Control of Pollution) Act, 1981
  - h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975 and
  - i) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

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

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

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 5 meetings of the Audit committee, 1 Meetings of Stakeholder Relationship Committee, 3 Meetings of Nomination and Remuneration Committee meeting and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Mr. S. Srinivas Kumar and Mr. Nitesh KumarSharma as Company Secretary cum compliance officer of the Company.
- The Company has not appointed internal auditor.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The Company has delayed in filing Audited Financial Results for quarter and year ended 31.03.2021 within due date i.e. 30.06.2021. BSE and NSE has levied a penalty of Rs. 53,100/-

## ORTIN LABORATORIES LIMITED

each (including GST). However, the Company has paid the said penalty levied by NSE on 10.03.2022 and is yet to pay the said penalty to BSE.

- The Registered Office of the Company has shifted from D. No: 3-4-512/35 (43/4RT), Opp. Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana to D.NO.1-8-B4, Ground Floor, F3 HIG, Block-4, Street No.3, Baghlingampally, Hyderabad-500044, Telangana w.e.f. 14.02.2022.

**For Vivek Surana & Associates**

**Sd/-**

**Vivek Surana**

**Proprietor**

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

**UDIN: A024531D000910449**

**Peer review cer. No. 1809/2022**

**Place: Hyderabad**

**Date: 05.09.2022**

### **Annexure A**

To

The Members of

Ortin Laboratories Limited

Hyderabad

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

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

**For Vivek Surana & Associates**

**Sd/-**

**Vivek Surana**

**Proprietor**

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

**UDIN: A024531D000910449**

**Peer review cer. No. 1809/2022**

**Place: Hyderabad**

**Date: 05.09.2022**

**Annexure II**
**AOC-2**

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

**Related Party Disclosures**

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

Nature of Relationship Key Management Personnel (KMP):	Name of Related Party S. Murali Krishna Murthy	Designation Managing Director
	S. Srinivas Kumar	Whole Time Director & CFO
	Nitesh Kumar Sharma	Company Secretary and Compliance Officer
Independent / Non- Executive Directors	J. R. K. Panduranga Rao	Independent Director
	B. Gopal Reddy	Independent Director
	Murali Krishna Rayaprolu	Independent Director
	Pottur Sujatha	Independent Director
	G. Venkata Ramana	Non-Executive Director
	Bh. Satyanarayana Raju	Non-Executive Director
Relatives of Key Management Personnel (KMP):	S. Balaji Venkateswarlu	Non-Executive Director
	Sri Sai Krishna Marketing Associates	Entity in which directors are interested

**Transactions with related parties:**

(Rs. in Lakhs)

Particulars	Nature	As at March31, 2022	As at March31, 2021
Sri Sai Krishna Marketing Associates	Sales	3.15	1.44
	Purchases	12.47	97.19
Mr. S. Murali Krishna Murthy	Unsecured loan to company	47.31	36.05
	Remuneration	6.60	6.00
Mr. S. Mohan Krishna Murthy	Unsecured loan to company	52.19	25.06
	Remuneration	2.51	3.17
Mr. S. BalajiVenkateswarlu	Unsecured loan to company	26.93	16.19
	Remuneration	6.08	5.40
Mr. S.Srinivas Kumar	Unsecured loan to company	26.20	24.78
	Remuneration	6.08	5.40
Mr. J. R. K. Panduranga Rao	Sitting Fees	0.06	0.00
Mr. Murali Krishna Rayaprolu	Sitting Fees	0.06	0.01
Mr. B.Gopal Reddy	Sitting Fees	0.06	0.02
Ms. Pottur Sujatha	Sitting Fees	0.06	-
Mr. Nitesh Kumar Sharma	Remuneration	2.81	1.67

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

(Rs. in Lakhs)

Particulars	As at March31, 2022	As at March31, 2021
Murali Krishna Murthy	47.31	36.05
S. Mohan Krishna Murthy	52.19	25.06
S. BalajiVenkateswarlu	26.93	16.19
S.Srinivas Kumar	26.20	24.78

**Amount due from related parties**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Sri Sai Krishna Marketing Associates	149.27	178.52

**For Ortin Laboratories Limited**

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

**Sd/-**  
**S. Srinivas Kumar**  
**Whole time Director & CFO**  
**(DIN: 02010272)**

**Place: Hyderabad**  
**Date: 05.09.2022**



### **Annexure III**

#### **CORPORATE GOVERNANCE**

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

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

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

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

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

#### **DATE OF REPORT**

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2022. The Report is updated as on the date of the report wherever applicable.

#### **BOARD DIVERSITY**

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

#### **CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

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

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website.

**1. BOARD OF DIRECTORS**
**A. COMPOSITION OF THE BOARD**

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive, Non- Executive and Independent Directors headed by the Chairman & Independent Non-Executive Director. As on date of this report, the Board of Directors of the Company has 9 members (4 Independent Non-Executive Directors, 3 Non-Independent Non-Executive Director and 2 whole-time Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the Companies in which he/she is a Director.

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

**Date of the Board meetings:**

The Board of Directors duly met Six (6) times during the financial year from 1st April 2021 to 31st March 2022 on 02.05.2021, 09.07.2021, 14.08.2021, 13.11.2021, 03.12.2021 and 14.02.2022

Sr. No	Name of the Director	Category	No. of Directorships in other companies (name of the listed company to be mentioned)		No. of committee positions held in other public companies		Attendance Particulars		
			Chairman	Director	Chairman	Member	Attendance at the AGM held on 28.12.2021	Attendance in Board Meetings for FY 2021-22	
							Held	Atten ded	
1	Mr. S. Murali Krishna Murthy	Promoter and Managing Director	-	-	-	-	Yes	6	6
2	#Mr. S. Mohan Krishna Murthy	Promoter and Whole-Time Director	-	-	-	-	NA	4	4
3	Mr S. Srinivasa Kumar	Promoter and Whole-Time Director	-	-	-	-	Yes	6	6
4	Mr. G. VenkataRamana	Non-Executive Director		5 (No.) Vineet Laboratories Limited	-	1	Yes	6	6
5	Mr. S. BalajiVenkateswarlu	Promoter and Non-Executive Director	-	-	-	-	Yes	6	6
6	Mr. B. Satyanarayana Raju	Non-Executive Director	-	2 (No.) Vineet Laboratories Limited	-	1	Yes	6	6

7	Mr. J. R. K. Panduranga Rao	Chairman, Non Executive & Independent Director	-	-	-	-	Yes	6	6
8	Dr. B. Gopal Reddy	Non Executive & Independent Director	-	1	-	-	Yes	6	6
9	Mr. Murali Krishna Rayaprolu	Non Executive & Independent Director	-	-	-	-	Yes	6	6
10	Ms. Pottur Sujatha	Non Executive & Independent Director	-	-	-	-	Yes	6	6

# Passed away on 26.11.2021

**B. A CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:**

S. No.	Names of the Director	Skills/Expertise/Competence are required in the context of business of the Company
1	Mr. S. Murali Krishna Murthy	Management
2	Mr. S. BalajiVenkateswarlu	Marketing
3	Mr S. Srinivas Kumar	Distribution network
4	Mr. G. VenkataRamana	Administration
5	Mr. Bh. Satyanarayana Raju	Administration and Finance
6	Dr. B. Gopal Reddy	Technical Adviser
7	Mr. Murali Krishna Rayaprolu	Technical Adviser
8	Ms. Pottur Sujatha	Marketing
9	Mr J. R. K. Panduranga Rao	Distribution network

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

Mr. S. Murali Krishna Murthy and Mr. S. Srinivas Kumar are Inter se related to each other. Other Directors do not have any inter se relation with each other.

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

Mr. S. BalajiVenkateswarlu, Mr. G. VenkataRamana and Mr. Bh. Satyanarayana Raju, Non-Executive Director of the Company holds 1,53,132, 2,49,985 and 23,672 Equity Shares in the company.

**E. INFORMATION SUPPLIED TO THE BOARD:**

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

**F. INDEPENDENT DIRECTORS**

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

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

During the year under review, none of the Independent Directors have resigned from the Board of Directors of the Company.

**G. DECLARATION BY BOARD**

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

**H. INDEPENDENT DIRECTORS' MEETING:**

As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 14.02.2022, and discussed the following:

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

All the Independent Directors of the Company as on date of meeting were present at the meeting.

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

As required under Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Schedule IV of the Companies Act, 2013, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

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

The details of familiarization programme held in FY 2021-22 are also disclosed on the Company's website i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

## **J. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to provisions of Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) and the provisions of the Companies Act, 2013 an annual Board effectiveness evaluation was conducted for FY 2021-22 on 14.02.2022, involving the following:

- (i) Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- (ii) Evaluation of the Board of Directors, its committees and individual Directors, including the role of the Board Chairman.

An IDs’ meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”), was convened on 14.02.2022, mainly to review the performance of Independent Directors and the Managing Director and whole time Director and also the Board as a whole. All IDs were present at the said meeting.

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

## **2. COMMITTEES OF THE BOARD:**

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below:

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

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

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed.
- ii. Recommending the appointment, and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
- iii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- iv. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- v. Review with the management, the annual financial statements and Auditor's Report before submission to the Board with particular reference to;
  - (a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly financial statements with the management before submission to the board for approval;
- vii. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

- xv. discussion with internal auditors of any significant findings and follow up there on;
- xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvii. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- xviii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xix. Review the functioning of the whistle blower mechanism;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- xxi. Review of the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (c) Internal audit reports relating to internal control weaknesses;
  - (d) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - (e) Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations.
- xxii. Carrying out any other function as may be referred to the Committee by the Board.
- xxiii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

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

There were five (5) Audit Committee Meetings held during the year on 02.05.2021, 09.07.2021, 14.08.2021, 13.11.2021 and 14.02.2022.

Name	Designation	Category	Number of meetings during the year 2021-22	
			Held	Attended
Ms. Pottur Sujatha	Chairperson	Independent, Non-Executive	5	5
Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	5	5
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	5	5

- C. Previous Annual General Meeting of the Company was held on 28.12.2021 and Ms. Pottur Sujatha, Chairperson of the Audit Committee attended previous AGM.



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

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

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

To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

- a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- c. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- d. To carry out evaluation of every Director's performance.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- f. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- g. To formulate the criteria for evaluation of Independent Directors and the Board.
- h. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- i. devising a policy on diversity of board of directors;
- j. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- k. Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

There was three (3) Nomination and Remuneration Committee Meetings held during the financial year on 14.08.2021, 03.12.2021 & 14.02.2022.

Name	Designation	Category	Number of meetings during the year 2021-22	
			Held	Attended
Ms. Pottur Sujatha	Chairperson	Independent, Non-Executive	3	3
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	3	3
Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	3	3

**C. REMUNERATION POLICY:**

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

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

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

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

**2. Terms and References:**

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

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

2.3 "Independent Director" means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**
**3.1 Qualifications and criteria**

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

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

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

3.1.3 The proposed appointee shall also fulfill the following requirements:

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

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

### 3.2 Criteria of Independence

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

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

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company or member of the promoter group of the listed entity;  
(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company

- c. who, apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the three immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
  - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
  - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income.

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

e. who, neither himself nor any of his relative-

- (i) Holds or has held the position of a key managerial personnel or is or has been employee of the Company or holding, subsidiary or associate Company or any company belonging to the promoter group of the listed entity of the or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;  

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment
- (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
  - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
  - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross

turnover of more of the gross turnover of such firm;

- (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
  - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
  - g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
  - h. who is not less than 21 years of age
  - i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.

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

### 3.3 Other Directorships/ Committee Memberships

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

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

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

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

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

Remuneration policy for Directors, key managerial personnel and other employees:

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

merit.

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

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

2.2 “key managerial personnel” means

(i) The Chief Executive Officer or the managing Director or the manager;

(ii) The Company Secretary;

(iii) The Whole-time Director;

(iv) The Chief Financial Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

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

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

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

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

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

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

## ORTIN LABORATORIES LIMITED

- (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors
  - 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
  - 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 3.3. Remuneration to other employees
  - 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### **D. MECHANISM FOR EVALUATION OF THE BOARD**

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

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

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

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

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

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

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

**E. REMUNERATION TO DIRECTORS**

Name of the Director	Remuneration (in Rs.)	Sitting fees (in Rs.)	Number of shares held
Mr. S. Murali Krishna Murthy	6,57,600	--	1,33,844 Shares
Mr. G. VenkataRamana	--	--	2,49,985 shares
# Mr. S. Mohan Krishna Murthy	2,49,400	--	--
Mr. S. BalajiVenkateswarlu	5,40,516	--	1,53,132 Shares
Mr. S. Srinivas Kumar	5,40,516	--	1,32,175 Shares
Mr. Bh. Satyanarayana Raju	-	--	23,672 Shares
Mr. J. R. K. Panduranga Rao	--	6000	--
Mr. Gopal Reddy	--	6000	-
Mr. Murali Krishna Rayaprolu	-	6000	-
Ms. Pottur Sujatha	-	6000	--

# passed away on 26.11.2021

Except for the remuneration details mentioned above, there are is no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity in terms of salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives.

WEB LINK FOR CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:  
[www.ortinlabsindia.com](http://www.ortinlabsindia.com)

**4. STAKEHOLDER'S RELATIONSHIP COMMITTEE: (Committee constituted in terms of Sec. 178 of Companies Act, 2013 read with reg. 20 of SEBI (LODR) Regulations, 2015)**
**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes:**

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;



- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

During the year 01stApril 2021 to 31stMarch 2022, one (1) Stakeholders Relationship Committee Meetings was held on 14.02.2022.

**B. COMPOSITION AND ATTENDANCE FOR MEETINGS:**

Name	Designation	Category	Number of meetings during the year 2021-22	
			Held	Attended
Mr. J.R.K. Pandu Ranga Rao	Chairman	Independent, Non-Executive	1	1
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	1	1
Ms. Pottur Sujatha	Member	Independent, Non-Executive	1	1

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

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

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2021-22**

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2022
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

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

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2018-19	30.09.2019	11.30 A.M.	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad- 500027, Telangana	Yes
2019-20	29.12.2020	11.30 A.M.	Video conference	No
2020-21	28.12.2021	11:00 A.M.	Video conference	Yes

(a) whether any special resolution passed last year through postal ballot – details of voting pattern: No

**6. DISCLOSURES**
**A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

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

The policy on related party transactions is available in the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com).

**B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:**

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

Sl. No	FY	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company secretary, if any.
1	2021-22	BSE& NSE	Delay in compliance with provisions of Regulation 33 of SEBI (LODR) Regulations, 2015 – The Company has delayed in submitting the audited financial results for the quarter and year ended 31.03.2021 with the extended due date i.e., 30.06.2021	The Company was asked to pay the penalty of Rs. 53,100/- including taxes towards the non-compliance	BSE - The Company is yet to pay the penalty.  NSE - The Company has paid the penalty of Rs. 53,100 on 10.03.2022
2	2020-21	BSE& NSE	Non-compliance with provisions of Regulation 6(1) of SEBI (LODR) Regulations, 2015 – appointment of qualified company secretary cum compliance officer for the period 01.04.2020 to 23.07.2020	The Company was asked to pay the penalty of Rs.1,10,920 including taxes towards the non-compliance	BSE - The Company has paid the said penalty. However BSE vide its email dated 16.04.2021 has waived off the said penalty on Company's request.  NSE - The Company has paid the said penalty.

**C. WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

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

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

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

**D. DISCLOSURE OF COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES**

The Company doesn't consume large quantities of commodities in its manufacturing activities. Hence the Company is not materially exposed to commodity price risks or foreign exchange risk nor does the company do any commodity hedging.

**E. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT: Nil**

**F. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT.**

During the year under review, no issue of shares was made either by way of preferential allotment/Qualified Institutional Placement/Rights Issue or by any other ways.

**G. RECOMMENDATIONS OF COMMITTEES**

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

**H. CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

**I. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.**

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

**J. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

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

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil

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

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

**L. CODE OF CONDUCT**

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

**M. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2021-22**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2022 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

**N. CEO/ CFO Certification**

The Managing Director and CFO certification of the financial statements for the year 2021-2022 is provided as annexure in this Annual Report.

**O. RECONCILIATION OF SHARE CAPITAL:**

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

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

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

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

The Financial Statements are free from any Audit Qualifications.

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

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

**8. MEANS OF COMMUNICATION**

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

**9. A. General Shareholders Information:**

• Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110TG1986PLC006885.	
• Date	30 <sup>th</sup> September, 2022	
• Time	11:00 A.M.	
• Venue of AGM	Video Conference	
• Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March.	
• Tentative Schedule for considering Financial Results:		
For the Quarter ending June, 2022	13 August, 2022	
For the Quarter ending September, 2022	On or before 14 November, 2022	
For the Quarter ending December, 2022	On or before 14 February, 2023	
For the Quarter/year ending March, 2023	On or before 30 May, 2023	
• Date of Book Closure	23.09.2022 to 30.09.2022	
• Dividend Payment date	--	
• Listing on Stock Exchanges	BSE Limited	NSE Limited
Scrip Code	539287	ORTINLAB
• ISIN Number for NSDL & CDSL	INE749B01020	
• Payment of annual listing fees to stock exchanges	The Company has paid the Annual Listing fees to the Stock Exchanges where the company's Shares are listed.	
• Plant Location	Plot No.275 & 278, I.D.A, Pashamylaram, Sangareddy Dist.-502307 (TS) (INDIA)	
• Address for correspondence:	To be addressed to: M/s KFin Technologies Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500.	

# ORTIN LABORATORIES LIMITED

<ul style="list-style-type: none"> <li>Investor Correspondence / Query on Annual Report, etc.</li> </ul>		<p>Mr. Nitesh Kumar Sharma Company Secretary Ortin Laboratories Limited D. No. 1-8-B4, Ground Floor, F3 HIG, Block-4, Street no. 3, Baghlingampally Hyderabad -500044 Telangana</p>
<ul style="list-style-type: none"> <li>Registrars &amp; Transfer Agents</li> </ul>		<p>M/s KFin Technologies Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153</p>
<ul style="list-style-type: none"> <li>List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.</li> </ul>		<p>Since the Company has not issued any Debt Instruments or Fixed Deposit Programme, therefore company has not obtained any Credit Ratings during the Financial Year.</p>
<ul style="list-style-type: none"> <li>in case the securities are suspended from trading, the directors report shall explain the reason thereof</li> </ul>		<p>The securities of the Company are not suspended from trading.</p>
<ul style="list-style-type: none"> <li>Total fees for all services paid by the listed entity to the statutory auditor.</li> </ul>		<p>1,25,000/- (including TDS 10000)</p>
<ul style="list-style-type: none"> <li>The company is in compliance with Corporate Governance requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub- Regulation (2) of Regulation 46</li> </ul>		

## B. 1. Performance compared to BSE sensex.





**2. Performance compared to Nifty50**



**C. Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

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

We have no GDRs/ADRs or any commercial instrument.

**D. STOCK MARKET PRICE DATA:**

MONTH	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2021	33.00	21.65	29.55	28.45
May 2021	33.45	26.30	28.25	27.00
June 2021	52.25	26.00	39.90	36.55
July 2021	39.50	31.00	35.10	33.80
August 2021	36.65	24.65	27.95	26.80
September 2021	31.55	25.75	27.75	26.70
October 2021	38.40	25.95	31.50	29.60
November 2021	33.80	25.75	31.05	27.35
December 2021	38.35	29.15	33.60	32.30
January 2022	37.30	29.40	32.70	31.05
February 2022	32.90	22.60	26.00	23.75
March 2022	28.00	21.80	23.25	22.30

**E. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022:**

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	12,74,771	15.68	--	--
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--

**ORTIN LABORATORIES LIMITED**

f.	Trusts	--	--	--	--
	Sub Total (A)(1)	12,74,771	15.68	--	--
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)	--	--	--	--
	Total Shareholding of Promoter and Promoter Group	12,74,771	15.68	--	--
	(A)=(A)(1)+(A)(2)	12,74,771	15.68	--	--
(B)	Public Shareholding			--	--
(1)	Institutions	--	--	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	--	--	--	--
c.	Central Government/ State Government(s)	--	--	--	--
d.	Venture Capital Funds	--	--	--	--
e.	Insurance Companies	--	--	--	--
f.	Foreign Institutional Investors	--	--	--	--
g.	Foreign Venture Capital Investors	--	--	--	--
h.	Foreign Companies	--	--	--	--
	Sub Total (B)(1)	--	--	--	--
(2)	Non-Institutions			--	--
a.	Bodies Corporate	2,38,214	2.93	--	--
b.	Individuals			--	--
	i)Individual shareholders holding nominal share capital upto Rs.2 lakh	53,29,688	65.54	--	--
	ii)Individual shareholders holding nominal share capital in excess of Rs.2 lakh	11,15,607	13.72	--	--
c.	Any Others :-			--	--
	I )Non Resident Individuals	92,222	1.13	--	--
	ii)Overseas Corporate Bodies	--	--	--	--
	iii)Trusts	--	--	--	--
	iv)Employees	--	--	--	--

**ORTIN LABORATORIES LIMITED**

	v) Clearing Members	80,890	0.99	--	--
	vi) Foreign Nationals	--	--	--	--
	vii) NBFCs registered with RBI	-	-		
	Sub Total (B)(2)	68,56,621	84.32	--	--
	Total Public Shareholding (B)=(B)(1)+(B)(2)	68,56,621	84.32	--	--
	Total (A)+(B)	<b>81,31,392</b>	<b>100</b>	--	--
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	Grand Total (A)+(B)+(C)	81,31,392	100	--	--

**F. Distribution of Shareholding as on 31.03.2022**

SL. NO.	No. of equity Shares held	No. of Shareholders	%	Amount	%
1	Upto - 5000	10463	82.63	13889670	17.08
2	5001 - 10000	1134	8.96	9315240	11.46
3	10001 - 20000	559	4.41	8523580	10.48
4	20001 - 30000	200	1.58	5169190	6.36
5	30001 - 40000	77	0.61	2787400	3.43
6	40001 - 50000	65	0.51	3088180	3.80
7	50001 - 100000	95	0.75	7004800	8.61
8	100001 and above	69	0.54	31535860	38.78
	<b>TOTAL</b>	<b>12662</b>	<b>100</b>	<b>81313920</b>	<b>100</b>

**G. DEMATERIALISATION & LIQUIDITY OF SHARES:**

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

Mode	No. of shares	% of total paid up
CDSL	42,85,475	52.70
NSDL	37,61,773	46.26
Physical	84,144	1.04
<b>Total</b>	<b>81,31,392</b>	<b>100.00</b>

For Ortin Laboratories Limited

Place: Hyderabad  
Date: 05.09.2022

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

Sd/-  
S. Srinivas Kumar  
Whole time Director & CFO  
(DIN: 02010272)

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Ortin Laboratories Limited  
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ortin Laboratories Limited having CIN L24110TG1986PLC006885 and having registered office at D. No. 1-8-B4, Ground Floor, F3 HIG, Block-4, Street no. 3, Baghlingampally Hyderabad -500044 Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN No.</b>	<b>Date of appointment in the Company</b>
1	J. R. K. Panduranga Rao	00294746	30/09/2006
2	S. Murali Krishna Murthy	00540632	26/02/1996
3	S. Srinivasa Kumar	02010272	29/01/2008
4	G. Venkata Ramana	00031873	30/09/2010
5	S. Balaji Venkateswarlu	02010148	29/01/2008
6	Bh. Satyanarayana Raju	02697880	30/09/2010
7	B. Gopal Reddy	06716560	01/06/2014
8	Murali Krishna Rayaprolu	08928502	23/10/2020
9	Pottur Sujatha	08979645	05/12/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vivek Surana & Associates**

**Sd/-  
Vivek Surana  
Proprietor**

**M. No. 24531 C.P. No: 12901  
UDIN:A024531D000910471  
Peer review cer. No. 1809/2022**

**Place: Hyderabad  
Date: 05.09.2022**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Ortin Laboratories Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Ortin Laboratories Limited ("the company") for the year ended 31st March, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited and National Stock Exchange of India Limited.

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

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

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

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

**For VivekSurana & Associates**

**Sd/-  
Vivek Surana  
Proprietor**

**M. No. 24531 C.P. No: 12901  
UDIN : A024531D000910451  
Peer review cer. No. 1809/2022**

**Place: Hyderabad  
Date: 05.09.2022**

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

To the Members of Board of

Ortin Laboratories Limited

Dear Sirs/Madam,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2022 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For Ortin Laboratories Limited**

**Sd/-**

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

**Sd/-**

**S. Srinivas Kumar**  
**Whole time Director & CFO**  
**(DIN: 02010272)**

**Place: Hyderabad**

**Date: 05.09.2022**

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

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

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

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



**Annexure IV**  
**MANAGEMENT'S DISCUSSION & ANALYSIS REPORT**

**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Pharmaceutical industry is one of the world's fastest growing industries, and remains one of the biggest contributors to world economy. The Indian pharma industry is on a good growth path and is likely to be in the top 10 global markets in value term by 2021, according to the PwC – CII report titled "India Pharma Inc: Gearing up for the next level of growth".

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

The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain this robust growth rate till 2021, companies will have to rethink their business strategy. They will have to adopt new business models and think of innovative ideas to service their evolving customers faster and better.

**OPPORTUNITIES AND THREATS:**

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

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

Financial Performance is discussed elsewhere in the Report.

**OUTLOOK:**

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

The pharmacy sector in India is highly regulated, yet the sector suffers from circulation of substandard and counterfeit drugs which hampers the retail segment of the business. Measures are being taken by the pharmacy regulatory bodies of the country to control the menace as it hampers the revenue earning drastically. The government is also taking major initiatives to provide medicines at subsidized rates and distribution of medicines in the rural belt.

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

**RISKS AND CONCERNS:**

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

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

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

policies, it advises the board on matters of significant concerns for Redressal.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Financial Performance is discussed elsewhere in the Report.

<b>RATIOS:</b>			
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>Remarks</b>
Debtors turnover ratio	2.60	2.10	Due to timely realization of debtors
Inventory turnover ratio	4.84	4.49	Due to increase in turnover.
Interest coverage ratio	0.70	1.54	Due to increase in finance cost
Current ratio	0.76	0.78	Nominal Change
Debt equity ratio	0.89	0.87	Nominal change
Operating profit margin (%)	3.04	11.11	Due to increasing operating cost
Net profit margin (%)	-4.73	11.51	Due to decrease in Net Profit
Return on Net worth	-3.64	8.33	Due to decrease in Networth

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

During the year under review the company has taken HR initiatives to train and develop talent pool. The company has also taken up a root cause analysis on bringing down the attrition rates. In order to improve the performance of management and to scale up the business operations, the company has recruited experienced personnel at senior level apart from strengthening other departments with competent people.

**DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

**CAUTIONARY STATEMENTS:**

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

ANNEXURE-Va

**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

Director	Total Remuneration	Ratio to median remuneration
S. Murali krishna Murthy	6,60,000	2.27:1
Late Mohan Krishna Murthy	2,51,000	1.29:1
S. Srinivas Kumar	6,07,500	2.09:1

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2021-22	FY 2020-21	
NIL				

The percentage increase in the median remuneration of employees in the financial year

Particulars	Remuneration		Increase/ (Decrease) %
	FY 2021-22	FY 2020-21	
The number of employees on the rolls of the company as on March 31, 2022	2,91,000	3,11,316	(6.52)

\*Employees who have served for whole of the respective financial years have been considered.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2022	29

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration

<b>Particulars</b>	<b>Increase/ (Decrease) %</b>
<b>Average percentage increase in the remuneration of all Employees*</b> (Other than Key Managerial Personnel)	<b>NA</b>
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	<b>NA</b>

\*Employees who have served for whole of the respective financial years have been considered.

Affirmation that the remuneration is as per the remuneration policy of the company.

The Company is in compliance with its remuneration policy.

**ANNEXURE-Vb**

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

SN o	Name of the Employee	Designation of the employee	Remuneration received (per annum)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	S. Murali Krishna Murthy	Managing Director	6,00,000	Permanent	B.Sc.,	01.04.1996	62 Years	---	1,33,844 Shares 1.65%	---
2	S. BalajiVenkateswarlu	Director	6,60,000	Permanent	---	01.01.2008	56 Years	---	1,53,132 Shares 1.88%	---
3	S. Srinivas Kumar	Director	6,07,500	Permanent	---	01.01.2008	54 Years	---	1,32,175 Shares 1.63%	---
4.	T. Srinivas Rao	Plant Manager	6,68,064	Permanent	B.com	01.04.1996	51 Years	---	5,144 Shares 0.06%	--
5.	H. Rajasekhar	Production Manager	6,68,064	Permanent	M. Pharma	01.04.1996	51 Years	M/s. Sangfroid Remedies	---	---
6.	V. Krishna Veni	Q.C. Manager	4,39,800	Permanent	M.Sc.,	01.04.2015	37 Years	M/s. Rite Aid Labs	---	---
7.	D. Balaji Gupta	Asst. Production Manager	3,93,708	Permanent	M. Pharma	01.05.2012	49 Years	M/s. AmbujaLabs	---	---
8.	S. Srinivas Rao	Distribution Manager	3,12,000	Permanent	B.Com.	01.05.2012	51 Years	---	---	---
9.	S. Srinivas Goud	Draft Man	2,98,296	Permanent	SSC	01.04.2002	51 Years	---	---	---
10	N. Srinivas Reddy	Machine Operator	2,91,000	Permanent	SSC	01.04.2017	44 Years	---	---	---

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2021-22**

Dear Members,

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

Certificate of Code of Conduct for the year 2021-2022 as per Regulation 17(5) read with Regulation 34 (3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I, S. Murali Krishna Murthy, Managing Director of Ortin Laboratories Limited hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2021-2022.

**For Ortin Laboratories Limited**

**Place: Hyderabad**  
**Date: 05.09.2022**

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

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**ORTIN LABORATORIES LIMITED****Opinion**

We have audited the accompanying standalone Ind As financial statements ORTIN LABORATORIES LIMITED (CIN:L24110TG1986PLC006885) (the 'Company'), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Other Information:**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Management's responsibility for the financial statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Boards of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibility for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



## ORTIN LABORATORIES LIMITED

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as it appears from our examination of those books.
  - c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, and the Standalone Statement of Cash Flow dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" issued under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

## ORTIN LABORATORIES LIMITED

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- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has represented that, to the best of it's knowledge and belief, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of it's knowledge and belief, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement;
- v. The Company has not declared or paid any equity dividend during the year.

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

**Sd/-  
S S Prakash  
Partner  
M. No.:202710  
UDIN: 22202710AJWEVG1598**

**Date: May 30, 2022  
Place: Hyderabad**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred in our report to the members of ORTIN LABORATORIES LIMITED for the year ended 31st March, 2022.

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
(b) As explained to us, Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion and according to the information and explanations given to us, no Property, Plant and Equipment has been disposed of during the year and therefore does not affect the going concern assumption  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee) disclosed in the standalone financial statements are held in the name of the Company. In respect of immovable properties where the Company is the lessee, the lease agreements are duly executed in favour of the lessee (including cases where the lease contract is in the process of being renewed).  
(d) The company has not revalued the Property, Plant and Equipment or intangible assets or both during the year.  
(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.  
(b) The Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on Clause (ii)(b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firm’s, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3 (iii) (a), of the Order are not applicable to the Company.  
(b) During the year the terms and conditions of the grant of all loans and advances to Companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company’s interest.  
(c) According to the information and explanation given to us, The Company has not granted any such loans, accordingly, Clause 3(iii)(c) of the Order is not applicable to the Company.

## ORTIN LABORATORIES LIMITED

- (d) According to the information and explanation given to us, The Company has not granted any such loans, accordingly, Clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.
- (iv) The Company has not made any loans, investments, guarantees and security so the provisions of Sec 185 and Sec 186 were not applicable. Accordingly, the provision of Clause (iv) of the Order is not applicable to the Company.
- (v) Based on our audit and representation from management, we state that during this financial year, the Company did not accept any deposits. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause(d) of sub-section(1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income -Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were outstanding statutory dues as on 31st March, 2022 for a period of more than six months from the date they became payable.

Particulars	Demand U/s	Period to which the amount relates	Amount in Rs.
Income Tax Act, 1956	143(1)a	AY 2016-17	2,45,790
Income Tax Act, 1956	143(3)	AY 2018-19	9,83,300
Income Tax Act, 1956	143(1)a	AY 2019-20	13,49,440

- (b) According to the information and explanations given to us, there is no amounts payable in respect of Goods and Services tax, Provident fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
- (b) Company is not declared willful defaulter by any bank or financial institution or Other lenders;

## ORTIN LABORATORIES LIMITED

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- (c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- (d) According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;
- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer and the term loans during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable to the Company.  
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.  
(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to explanation given to us, the Company is not a nidhi Company. Accordingly paragraph 3(xii)(a), (b) and (c) of the order is not applicable to the Company.
- (xiii) According to information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Standalone financial statements, as required by the applicable accounting standards.
- (xiv) The Company is advised to implement Internal audit system to commensurate with the size and nature of its business.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;

- (xvii) According to the information and explanations given to us and on the basis of our examination of records of the Company, The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) The company does not have any resignation of the statutory auditors during the year; therefore, the paragraph 3(xviii) of the order is not applicable to the Company.
- (xix) As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report
- (xx) The provisions of section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provision of clause 3(xx) of the order is not applicable.
- (xxi) The Company does not prepare consolidated financial statements; hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

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

**Date: May 30, 2022  
Place: Hyderabad**

**Sd/-  
S S Prakash  
Partner  
M. No.:202710  
UDIN: 22202710AJWEVG1598**

**ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of ORTIN LABORATORIES LIMITED. ("The Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of ORTIN LABORATORIES LIMITED ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on



the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements:**

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

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

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

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

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

**Date: May 30, 2022  
Place: Hyderabad**

**Sd/-  
S S Prakash  
Partner  
M. No.:202710  
UDIN: 22202710AJWEVG1598**



Balance Sheet as at 31st March, 2022

Amount in Rupees

	Particulars	Note	As at 31.03.2022	As at 31.03.2021
		No.	Amount	Amount
	<b><u>ASSETS:</u></b>			
1	<b>NON-CURRENT ASSETS:</b>			
	(a) Property, Plant and Equipment	3	14,20,82,078	14,37,66,454
	(b) Capital work-in-progress	4	42,96,041	42,96,041
0	(c) Investment Property			-
	(d) Goodwill		-	-
0	(e) Other Intangible Assets		-	-
	(f) Intangible Assets under development		-	-
	(g) Biological Assets other than bearer plants		-	-
	(h) Financial Assets		-	-
	(i) Investments	5	159	159
	(ii) Trade receivables	8	-	-
	(iii) Loans		-	-
	(iv) Others Financial Assets	6	31,72,525	33,43,676
	(i) Deferred tax assets (net)		-	-
	(j) Other non-current assets	11	-	-
			<b>14,95,50,803</b>	<b>15,14,06,330</b>
2	<b>CURRENT ASSETS:</b>			
	(a) Inventories	7	1,74,09,286	1,83,17,422
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	8	3,23,61,044	3,91,47,741
	(iii) Cash and cash equivalents	9	49,18,693	2,51,345
	(iv) Bank balances other than (iii) above	10	10,32,457	15,09,330
	(v) Other Financial Assets	6	-	-
	(vi) Others (to be specified)		-	-
	(c) Current Tax Assets (Net)		-	-
	(d) Other current assets	11	17,74,540	20,26,726
			<b>5,74,96,019</b>	<b>6,12,52,565</b>
	<b>TOTAL</b>		<b>20,70,46,822</b>	<b>21,26,58,895</b>

<b>II</b>	<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>1</b>	<b>EQUITY:</b>			
	(a) Equity Share Capital	12	8,13,13,920	8,13,13,920
	(b) Other Equity	13	2,82,53,936	3,22,41,199
			<b>10,95,67,856</b>	<b>11,35,55,119</b>
<b>2</b>	<b>LIABILITIES:</b>			
<b>i</b>	<b>NON-CURRENT LIABILITIES:</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14	1,72,92,746	1,44,17,561
	(ii) Trade Payables	19	-	-
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
	(b) Provisions	15	13,54,146	17,83,829
	(c) Deferred tax liabilities (Net)	16	27,09,163	40,21,491
	(d) Other non-current liabilities	17	20,650	20,650
			<b>2,13,76,705</b>	<b>2,02,43,531</b>
<b>ii</b>	<b>CURRENT LIABILITIES:</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	4,41,50,657	5,50,00,000
	(ii) Trade payables	19	78,73,734	1,33,83,981
	(iii) Other financial liabilities (other than those specified in item (c))		-	-
	(b) Other Financial liabilities	20	-	-
	(c) Provisions	21	10,07,847	24,70,593
	(d) Other Current Liabilities	20	2,30,70,024	80,05,670
			<b>7,61,02,261</b>	<b>7,88,60,244</b>
	<b>TOTAL</b>		<b>20,70,46,822</b>	<b>21,26,58,895</b>

As per our report of even date  
Sathuluri & Co.,  
Chartered Accountants  
FRN : 006383S

For and on behalf of Board  
Ortin Laboratories Limited

(S S Prakash)  
Partner  
M.No.202710

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

Sd/-  
S. Srinivas Kumar  
Whole time Director & CFO  
(DIN: 02010272)

Place: Hyderabad  
Date: 30-05-2022

Sd/-  
Nitesh Kumar Sharma  
Company Secretary and Compliance Officer

Statement of Profit and Loss for the period ended 31st March, 2022

Amount in Rupees

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I Revenue from operations	22	8,23,07,953	8,16,74,385
II Other income	23	19,44,591	5,00,852
<b>III Total Income (I+II)</b>		<b>8,42,52,544</b>	<b>8,21,75,237</b>
<b>IV Expenses</b>			
Cost of Materials consumed	24	4,60,57,109	4,07,81,626
Purchases of Stock In Trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	4,59,548	(12,79,739)
Employee benefits Expense	26	95,03,375	1,05,22,080
Finance Costs	27	81,05,677	87,34,941
Depreciation and Amortisation Expense	3	29,37,606	28,54,058
Other Expenses	28	2,24,88,820	1,91,97,768
<b>Total expenses</b>		<b>8,95,52,135</b>	<b>8,08,10,735</b>
V Profit/(Loss) before exceptional and extraordinary items and taxes (III-IV)		<b>-52,99,591</b>	<b>13,64,502</b>
VI Exceptional items		-	-
VII Profit / (Loss) before tax (V-VI)		<b>(52,99,591)</b>	<b>13,64,502</b>
VIII Tax expense:			
Current Tax Expenses for the Current Year		-	5,69,811
Less: MAT Credit (Where Applicable)		-	-
Less: Current Tax Expenses relating to Prior Years		-	-
Prior years' tax adjustment		0	0
Interest on Income tax paid for			
Excesst provision of Income tax A.Y 18-19		0	0
Prior years' tax adjustment		0	0
Interest on Income tax paid			
Net Current Tax Expenses		-	<b>5,69,811</b>
Deferred Tax		<b>(13,12,328)</b>	<b>(86,59,825)</b>
IX Profit / (Loss) for the period from continuing operations (VII-VIII)		<b>(39,87,263)</b>	<b>94,54,516</b>
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		<b>(39,87,263)</b>	<b>94,54,516</b>

XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>-39,87,263</b>	<b>94,54,516</b>
XVI Earnings per equity share (for continuing operation):			
(1) Basic			
(2) Diluted			
XVII Earnings per equity share (for discontinued operation):			
Earnings per share (of ` Rs 10/- each):			
(1) Basic			
(2) Diluted			
XVIII Earnings per equity share(for discontinued & continuing operations)			
(1) Basic		<b>(0.05)</b>	<b>1.16</b>
(2) Diluted		<b>(0.05)</b>	<b>1.16</b>

As per our report of even date  
Sathuluri & Co.,  
Chartered Accountants  
FRN : 006383S

For and on behalf of Board  
Ortin Laboratories Limited

(S S Prakash)  
Partner  
M.No.202710

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

Sd/-  
S. Srinivas Kumar  
Whole time Director & CFO  
(DIN: 02010272)

Place: Hyderabad  
Date: 30-05-2022

Sd/-  
Nitesh Kumar Sharma  
Company Secretary and Compliance Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022**

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Cash Flows from Operating Activities</b>		
<b>Net profit before tax</b>	<b>(52,99,591)</b>	<b>13,64,502</b>
Adjustments for :		
Finance cost recognised in profit & loss	81,05,677	87,34,941
Depreciation	29,37,606	28,54,058
<b>Operating profit before working capital changes</b>	<b>57,43,692</b>	<b>1,29,53,501</b>
Movements in Working Capital :		
(Increase)/Decrease in Trade and Other Receivables	67,86,697	33,23,81,001
(Increase)/Decrease in inventories	9,08,136	48,06,88,578
(Increase)/Decrease in Other financial assets	1,71,151	88,95,191
(Increase)/Decrease in Other assets	-	28,04,354
(Increase)/Decrease in Other current Assets	2,52,186	2,30,82,107
Increase/(Decrease) in Trade Payables	(55,10,248)	(58,66,30,598)
Increase/(Decrease) in Other financial liabilities	-	(5,99,18,601)
Increase/(Decrease) in Other non current and Current liabilities	1,50,64,354	(1,56,06,215)
Increase/(Decrease) in Provisions	(18,92,429)	(1,83,06,097)
<b>Changes in Working Capital</b>	<b>1,57,79,848</b>	<b>16,73,89,720</b>
<b>Cash generated from operations</b>	<b>2,15,23,539</b>	<b>18,03,43,221</b>
Direct Taxes Paid	-	-
<b>Net Cash from operating activities (A)</b>	<b>2,15,23,539</b>	<b>18,03,43,221</b>
<b>Cash flows from Investing Activities</b>		
Purchase of Fixed Assets	(12,53,230)	-
changes in investments	-	6,95,742
<b>Net Cash used in Investing Activities (B)</b>	<b>(12,53,230)</b>	<b>6,95,742</b>
<b>Cash flows from Financing Activities</b>		
proceeds from issue of equity investments of company	-	(6,91,93,080)
Repayment/(Proceeds) of/from borrowings	28,75,185	(3,46,07,624)
Finance cost	(81,05,677)	(87,34,941)
Increase/decrease in short term borrowings	-	1,39,48,493
(Increase)/Decrease in Other bank balances	4,76,873	-
<b>Net Cash used in Financing Activities (C)</b>	<b>(47,53,619)</b>	<b>(9,85,87,152)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,55,16,690</b>	<b>8,24,51,811</b>
Cash and Cash equivalents at the beginning of the year	(5,47,48,654)	(13,72,00,465)
<b>Cash and Cash equivalents at the ending of the year</b>	<b>(3,92,31,964)</b>	<b>(5,47,48,654)</b>

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Cash and Cash Equivalents	49,18,693	2,51,345
Less: Short Term Borrowings From Banks	(4,41,50,657)	(5,50,00,000)
	<b>(3,92,31,964)</b>	<b>(5,47,48,654)</b>

As per our report of even date  
Sathuluri & Co.,  
Chartered Accountants  
FRN : 006383S

For and on behalf of Board  
Ortin Laboratories Limited

(S S Prakash)  
Partner  
M.No.202710

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

Sd/-  
S. Srinivas Kumar  
Whole time Director & CFO  
(DIN: 02010272)

Sd/-  
Nitesh Kumar Sharma  
Company Secretary and Compliance Officer

Place: Hyderabad  
Date: 30-05-2022

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

(Amount in Rs.)

	<b>Amount</b>
<b>Balance as at the 31 March 2020</b>	<b>169,404,000</b>
Changes in equity share capital during 2020-21	88,090,080
<b>Balance as at the 31 March 2021</b>	<b>81,313,920</b>
Changes in equity share capital during 2021-22	-
<b>Balance as at the 31 March 2022</b>	<b>81,313,920</b>

Note: No changes in Equity during the F.Y.2021-22

**B. Other equity**

(Amount in Rs.)

Particulars	Reserves and surplus				Items of Other comprehensive income (OCI)	Total
	Share Forfeiture Reserve	Capital Reserve	Securities Premium Reserve	Retained earnings	Others	
<b>Balance at 31 March 2021</b>	<b>64,52,500</b>	-	--	<b>2,57,88,699</b>		<b>3,22,41,199</b>
Profit or loss				(52,99,591)	-	(52,99,591)
Add: Other comprehensive income(net of tax)				-	-	-
<b>Total comprehensive income</b>			-	<b>(52,99,591)</b>	-	<b>(52,99,591)</b>
Transactions with owners in their capacity as owners	-		-	-	-	-
<b>Balance at 31 March 2022</b>	<b>64,52,500</b>	-	-	<b>2,04,89,108</b>	-	<b>2,69,41,608</b>
Profit or loss	-	-			-	-
Less: Transferred on Demerger	-	-	-	-	-	-
Add: Revaluation Reserve (Land)	-	-	-	-	-	-
Less: Goodwill Written off	-	-	-	-	-	-
Other comprehensive income(net of tax)	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>64,52,500</b>	-	-	<b>2,04,89,108</b>	-	<b>2,69,41,608</b>
Transactions with owners in their capacity as owners	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>64,52,500</b>	-	-	<b>2,04,89,108</b>	-	<b>2,69,41,608</b>

## Notes to Financial Statements

### 1. Description of the Company and Significant Accounting Policies

#### a. General Information

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

#### b. Basis of preparation and presentation of Financial Statements

The financial statements of Ortin Laboratories Limited (the company) have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013. Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

Ind AS 116, Leases.

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

Amendment to Ind AS 12 'Income Taxes'

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

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

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits'

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

**Basis of Measurement**

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

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation / settlement within twelve months period from the balance sheet date.

**C. Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

**i) Depreciation and amortization**

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

**ii) Employee Benefits**

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

**iii) Provision and contingencies**

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

**iv) Fair valuation**

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

**D. Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

**E. Current and noncurrent classification**

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

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;



- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

#### F. Foreign Currency Transaction

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

#### Significant Accounting Policies

##### 1) Property Plant & Equipment

Recognition and measurement

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

##### Directly attributable costs include:

- Cost of Employee Benefits arising directly from Construction or acquisition of PPE
- Cost of Site Preparation.
- Initial Delivery & Handling costs.
- Professional Fees and
- Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment). When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

- f. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment). When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

#### Depreciation

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

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

#### The estimated useful lives are as follows:

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated. The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

## 2) Financial Instruments

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

### Financial assets

#### Initial recognition and measurement

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

#### Subsequent measurement

##### Debt instrument at FVTPL

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

##### Investment in Preference Shares and Unquoted trade Investments

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

##### Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

##### Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the

asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Impairment of trade receivables

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

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

##### Subsequent measurement

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

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### Fair value measurement

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

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

##### Derivative financial instruments and hedging activities

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

the nature of the item being hedged. The Company designates certain derivatives as either:

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

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items. Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

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

(b) Cash flow hedge

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

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

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

3) Inventories

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

4) Impairment of non-financial assets

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

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

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment.

6) Employee Benefits

Short term employee benefits

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

Defined Contribution Plan

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

Defined Benefit Plans

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

Termination benefits

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

#### Other long-term employee benefits

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

#### 7) Provisions, contingent liabilities and contingent assets

##### Provisions

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

##### Contingent liabilities

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

##### Contingent assets

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

#### 8) Revenue Recognition

##### Sale of goods and trade license

Revenue is recognized, when the company Substantially satisfies its performance obligation While transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

##### Other Income

##### Interest Income

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

#### 9) Borrowing Costs

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

#### 10) Tax Expenses

Tax expense consists of current and deferred tax.



#### Income Tax

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

#### Deferred Tax

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

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

#### Dividend distribution tax

Tax on Dividends declared by the Company are recognised as an appropriation of Profit.

Dividend Distribution Tax is not applicable from April 1, 2020.

#### 11) Earnings Per Share

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

#### 12) Trade receivables

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

#### 13) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### Determination of fair values

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

#### (i) Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date.

For this purpose, fair value is based on appraised market values and replacement cost.



(ii) Intangible assets

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

(iii) Inventories

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

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

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis. In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(v) Derivatives

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

(vi) Non-derivative financial liabilities

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

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

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

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

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

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

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortisation

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

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

iii. Inventories

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

iv. Trade Receivables

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables. The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

NOTE NO: 3

PROPERTY, PLANT EQUIPMENTS

S. No.	PARTICULARS	GROSS BLOCK			TRANSFER TO RETAINED EARNINGS	DEPRECIATION			NET BLOCK		
		Cost as on 01/04/2021 Rupees	Additions Rupees	Deletions Rupees		Cost as on 31-03-2022 Rupees	Upto 01/04/2022 Rupees	For the year Rupees	Deletions Rupees	Upto 31/03/2022 Rupees	As on 31/03/2022 Rupees
1	Land.	112170000	-	-	-	-	-	-	-	11,21,70,000	112170000
2	Factory building.	35319615	-	-	-	11,76,290	-	-	1,65,13,474	1,88,06,141	19982431
3	Administrative building.	0	-	-	-	-	-	-	-	0	0
4	Plant & machinery	23346070	12,53,230	-	2,45,99,300	11,22,692	-	-	1,51,11,436	94,87,864	9357326
5	Testing equipment.	2026438	-	-	20,26,438	88,465	-	-	13,02,851	7,23,587	812052
6	Furniture & fixtures.	2349679	-	-	23,49,679	31,512	-	-	23,65,397	(15,718)	15794
7	Electrical fittings	1402468	-	-	14,02,468	-	-	-	14,02,468	-	0
8	Vehicles.	4695579	-	-	46,95,579	2,82,287	-	-	41,24,269	5,71,310	853597
9	Other assets.	2073929	-	-	20,73,929	1,04,900	-	-	19,74,800	99,129	204029
10	Computer.	3565813	-	-	35,65,813	24,156	-	-	35,25,626	40,187	64343
11	Modikerox.	205400	-	-	2,05,400	-	-	-	2,05,400	-	0
12	Generator Set	311801	-	-	3,11,801	-	-	-	3,11,801	-	0
13	Air conditioner.	1663358	-	-	16,63,358	1,07,304	-	-	14,63,780	1,99,578	306882
14	Capital work in progress	0	-	-	-	-	-	-	-	-	0
	TOTAL	18,91,30,150	12,53,230	-	19,03,83,380	29,37,606	-	-	4,83,01,302	14,20,82,078	143766454

**Notes to financial statements for the Period ended March 31, 2022**  
(All amounts in Indian Rupees except as otherwise stated)

**4 Capital Work in Progress:**

Particulars	As at 31-March-2022	As at 31-March-2021
Capital Work in Progress	4296041	42,96,041
	<b>42,96,041</b>	<b>42,96,041</b>

**5 Investments: NON CURRENT (LONG TERM)**

Particulars	As at 31-March-2022	As at 31-March-2021
Investment in Equity Instruments (at Fair value)	159	159
Investment in Mutual Funds (at Fair value)	0	0
	<b>159</b>	<b>159</b>

**6 Loans and Advances: NON CURRENT (LONG TERM)**

Particulars	As at 31-March-2022	As at 31-March-2021
Unsecured, Considered Good:		
Trade and other deposit	31,72,525	33,43,676
Prepaid Expenses - current	-	-
Interest Receivables	-	-
	<b>31,72,525</b>	<b>33,43,676</b>

**7 Inventories:**

Particulars	As at 31-March-2022	As at 31-March-2021
Raw material	85,99,575	90,48,163
Finished Goods & work in progress	88,09,711	92,69,259
Consumption of Stores		
	<b>1,74,09,286</b>	<b>1,83,17,422</b>

**8 Trade Receivables:**

Particulars	As at 31-March-2022	As at 31-March-2021
<b>Unsecured, Considered Good:</b>		
Outstanding for a period not exceeding 365 Days from the date they are due for payments	3,23,61,044	3,91,47,741
Others		-
Add: Expected Credit Loss		-
	<b>3,23,61,044</b>	<b>3,91,47,741</b>

**9 Cash and Cash Equivalents:**

Particulars	As at 31-March-2022	As at 31-March-2021
Cash in hand	13,43,946	41,832
Balances with banks on current account	35,74,747	2,09,514
	<b>49,18,693</b>	<b>2,51,345</b>

**10 Cash and Bank Balances:**

Particulars	As at 31-March-2022	As at 31-March-2021
Cash and Cash Equivalents:		
Balance with banks in Fixed Deposits/Term Deposit		
Other Bank Balances:		
Margin money deposits against Letter of Credit and BG	10,32,457	15,09,330
	<b>10,32,457</b>	<b>15,09,330</b>
Less: Amount disclosed under non current assets		
	<b>10,32,457</b>	<b>15,09,330</b>

**11 Other Current Assets:**

Particulars	As at 31-March-2022	As at 31-March-2021
<b>Unsecured, Considered Good:</b>		
Excise Duty Claim Receivable on Export	-	-
Advance Tax	-	-
Current Year TDS and TCS	-	-
Advances - Others	10,93,822	11,47,885
CENVAT Credit	-	-
Service Tax Input Credit	-	-
Mumbai Sales Tax 2008-09 And VAT	-	-
GST Input Tax Credit	-	-
Creditors for Goods	-	-
IT Refund AY 2017-18 & AY 2012-13	-	-
TDS Receivable	6,80,717	8,78,841
	<b>17,74,540</b>	<b>20,26,726</b>

**12 Share capital: (a) Equity Share Capital**

Particulars	As at 31-March-2022	As at 31-March-2021
<b>Authorised:</b>		
96,00,000 equity shares of Rs.10/-each	9,60,00,000	9,60,00,000
	9,60,00,000	9,60,00,000
<b>Issued, Subscribed and Fully Paid-up:</b>		
81,31,392 equity shares of Rs.10/- each fully paid-up	8,13,13,920	8,13,13,920
Total issued, subscribed and fully paid up share capital	8,13,13,920	8,13,13,920

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

Particulars	As at 31-March-2022	
	No's	Amount in Rs.
<b>Equity shares of Rs. 10/-each fully paid</b>		
At the beginning of the year	81,31,392	8,13,13,920
Issued during the year	-	-
Less: Transferred in demerger process	-	-
Outstanding at the end of the year	81,31,392	8,13,13,920

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

Particulars	As at 31-March-2022	
	No's	% holding
<b>Name of the shareholder</b>		
<b>Equity shares of Rs. 10/- each fully paid</b>	-	-

**13 Reserves and surplus:**

Particulars	As at 31-March-2022	As at 31-March-2021
<b>Share Forfeiture Reserve:</b>		
Balance, at the beginning of the year	64,52,500	64,52,500
Add: Amount received during the year	-	-
Balance, at the end of the year	<b>64,52,500</b>	<b>64,52,500</b>
<b>Capital Reserve:</b>		
Balance, at the beginning of the year	-	21,22,500
Add: Additions during the year		10,80,38,385
Less: Deletion (Goodwill Written off)		11,01,60,885
Balance, at the end of the year	-	-
<b>Surplus in the Statement of Profit and Loss:</b>		
Balance, at the beginning of the year	2,57,88,699	6,01,80,177
Add: Excess provision written back		-
Add: Additions during the year	(39,87,263)	94,54,516
Less: Proposed Dividend		-
Less: Dividend Distribution tax on Proposed Dividend		-
Less: Adjustment to Fixed Assets on account of new provisions under chapter II of Companies Act, 2013		-
Less: Tranfered on demerger		4,31,11,703
Less: Goodwill Writtern off		7,34,291
Net surplus in the statement of profit and loss	<b>2,18,01,436</b>	<b>2,57,88,699</b>
Other Comprehensive Income		
Actuarial gain or loss on employee defined benefit plan		
Opening		
Add: During the year		-
Closing		-
<b>Total reserves and surplus</b>	<b>2,82,53,936</b>	<b>3,22,41,199</b>

**14 Long Term Borrowings:**

Particulars	Non-current portion	
	31-March-2022	31-March-2021
Term loan from Banks (Secured)	0	2514288
Vehicle Loan from Banks (Secured)	238143	456383
Sales Tax Loan from Govt. of A.P	1115966	1115966
Unsecured:		
From Directors & their relatives	15263637	10205924
Loan from others	675000	125000
	<b>1,72,92,746</b>	<b>1,44,17,561</b>

**Security Details**

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

**15. Provisions:Non-current)**

Particulars	As at 31-March-2022	As at 31-March-2021
Provision for employee benefits (Gratuity)	13,54,146	8,75,797
Provision for employee benefits (Leave encashment)	-	9,08,032
	<b>13,54,146</b>	<b>17,83,829</b>

**16. Deferred Tax Liabilities (net):**

Particulars	As at 31-March-2022	As at 31-March-2021
Opening Balance	40,21,491	1,26,81,316
Add: Adjustment / Credit During the year	(13,12,328)	(86,59,825)
<b>Total</b>	<b>27,09,163</b>	<b>40,21,491</b>

**17. Other Non Current liabilities**

Particulars	As at 31-March-2022	As at 31-March-2021
Security Deposit	20,650	20,650
	<b>20,650</b>	<b>20,650</b>



**18. Short-Term Borrowings:**

Particulars	As at 31-March-2022	As at 31-March-2021
Secured:	-	-
Cash Credit from Banks (Secured)	3,45,95,581	5,50,00,000
Bills Payable	95,55,076	
	<b>4,41,50,657</b>	<b>5,50,00,000</b>

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

**19. Trade Payables:**

Particulars	As at 31-March-2022	As at 31-March-2021
<b>Unsecured, Considered Good:</b>		
Outstanding for a period not exceeding 365 Days from the date they are due for payments	78,73,734	1,33,83,981
Others	-	-
	<b>78,73,734</b>	<b>1,33,83,981</b>

**20 Other Current Liabilities:**

Particulars	As at 31-March-2022	As at 31-March-2021
Current maturities of secured long term borrowings (refer note 4) payable to Unit II	-	-
Customers credit balance	1,57,52,046	14,55,462
Creditors for capital goods	3,56,296	3,59,487
Bills Payable	-	-
Directors Remuneration Payable	-	-
Outstanding Liability for Expenses	45,77,029	45,88,196
GST Payable	15,90,628	16,02,525
	7,94,025	
	<b>2,30,70,024</b>	<b>80,05,670</b>

**21. Provisions-current**

Particulars	As at 31-March-2022	As at 31-March-2021
Provision for Leave encashment	-	-
Provision for Gratuity	10,07,847	22,50,783
Provision for Taxation:	-	-
Provision for Income Tax	-	2,19,810
Add: Interest on Income Tax	-	-
Less: MAT Credit Utilised	-	-
Less: TDS and TCS	-	-
	<b>10,07,847</b>	<b>24,70,593</b>

**22. Revenue from Operations:**

Particulars	31-March-2022	31-March-2021
A) Sales(Net):		
Domestic sales	8,23,07,953	8,16,74,385
Export sales	-	-
ADD : Excise Duty	-	-
	<b>8,23,07,953</b>	<b>8,16,74,385</b>
B) Other Operating Revenues:		
Job work Receipts		-
other Operating Income		
	<b>8,23,07,953</b>	<b>8,16,74,385</b>

**23 Other Income:**

Particulars	31-March-2022	31-March-2021
Interest Received	32,933	496
Profit on Foreign Exchange Fluctuation	-	-
Discount on Purchase	2,339	28
Prior period income	-	-
Miscellaneous Income	2,74,322	5,00,328
Reversal of Excess Provision	16,34,997	-
	<b>19,44,591</b>	<b>5,00,852</b>

**24 Cost of Materials Consumed:**

Particulars	31-March-2022	31-March-2021
Inventory at the beginning of the year	90,48,163	72,00,299
Add: Purchases	4,56,08,521	4,26,29,490
Less: Returns	5,46,56,684	4,98,29,789
	85,99,575	90,48,163
Less: inventory at the end of the year	4,60,57,109	4,07,81,626
	<b>4,60,57,109</b>	<b>4,07,81,626</b>

**25 Change in Inventory:**

Particulars	31-March-2022	31-March-2021
<b>Opening Stock of Inventories:</b>		
Work-in-Progress/Finished goods	92,69,259	79,89,520
	92,69,259	79,89,520
<b>Closing Stock of Inventories:</b>		
Work-in-Progress/Finished goods	88,09,711	92,69,259
	88,09,711	92,69,259
	4,59,548	(12,79,739)

**26 Employee Benefit Expenses:**

Particulars	31-March-2022	31-March-2021
Salaries,wages and allowances	67,73,323	58,28,356
Directors Remuneration	21,26,000	19,96,500
Contribution to provident and other funds	5,36,239	4,93,484
Gratuity expense	-	21,10,103
Staff welfare expenses	67,813	64,299
Leave encashment	-	29,338
	<b>95,03,375</b>	<b>1,05,22,080</b>

**27 Finance Costs:**

<b>Particulars</b>	<b>31-March-2022</b>	<b>31-March-2021</b>
Interest on fixed period loans	1,39,322	3,71,094
Interest on Cash Credit	76,98,320	73,79,735
Interest on Late payment of Taxes	24,298	11,204
Interest - Others	-	4,810
Bank charges (including loan processing charges)	1,97,985	9,68,099
Penalties	45,752	-
Loan processing charges	-	-
LC & Bill discounting Charges	-	-
	<b>81,05,677</b>	<b>87,34,941</b>

**28 Other Expenses:**

Particulars	31-March-2022	31-March-2021
Rates and taxes	4,55,701	2,94,539
Insurance	1,28,810	1,12,191
Legal and Professional charges	8,93,244	10,42,000
ROC Expenses	7,200	23,000
Listing Fee	7,15,096	
Communication expenses	1,47,248	1,40,018
Travel & conveyance expenses	2,08,175	10,75,161
Rent Office & Godown	5,66,191	6,29,100
Power & Fuel	22,01,445	11,28,730
Sales & Business Promotion	1,20,440	24,62,730
Commission on sales	39,87,982	-
Office Maintenance	2,61,878	-
Postage and Courier	1,43,614	-
Membership and Subscription	10,355	-
Late Supply Charges	17,82,364	-
Income Tax Paid	7,35,690	
<b>Payment to Auditors</b>		-
Statutory audit	1,00,000	1,80,000
Tax audit	-	-
Taxation and Other Matters	-	-
Cost Audit Fees	-	-
Repairs & Maintenance Expenses	9,17,797	19,53,507
<b>Consumption of Stores</b>	-	-
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less: inventory at the end of the year	-	-
Discount & Rebate	45,765	51,850
Freight & Transportation	17,68,069	18,29,274
Labour Wages	15,81,496	19,10,972
Printing & Stationery	2,29,046	8,04,105
Miscellaneous expenses	40,78,850	39,55,510
Consumables	1,74,021	1,82,076
Shortage and Spoiled goods	12,28,343	14,23,005
	<b>2,24,88,820</b>	<b>1,91,97,768</b>

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