



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



Date: 07.12.2020

To,

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2019-2020.

Ref: BSE Scrip Code 539287, NSE- ORTINLABSS

With reference to the subject cited, pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, we are here with enclosing the 33<sup>rd</sup> Annual Report for the Financial Year 2019-20.

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

Thanking you.

Yours Faithfully,  
For Ortin laboratories Limited



S. Mohan Krishna Murthy  
Whole Time Director  
DIN: 00540705



ORTIN LABORATORIES LIMITED

**33<sup>rd</sup>**  
**ANNUAL REPORT**  
2019-2020



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

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

**CFO:** Mr. Bh. SatyanarayanaRaju

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

**REGISTERED OFFICE**

D.No: 3-4-512/35 (43/4RT),  
Opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027  
Ph: 040 - 2756 7266, 040 - 2756 2055  
Email: info@ortinlabsindia.com

**Works:**

**Unit 1**

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

**Unit 2**

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

**CORPORATE IDENTITY NUMBER :** L24110TG1986PLC006885

**STATUTORY AUDITOR**

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

**SECRETARIAL AUDITOR**

Vivek Surana & Associates  
Practicing Company Secretaries  
Hyderabad

**BANKERS**

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

**AUDIT COMMITTEE:**

1. Mrs. T. Uma Sangeetha - Chairman
2. Mr. J.R.K. Pandu Ranga Rao - Member
3. Dr. B. Gopal Reddy - Member

**NOMINATION & REMUNERATION COMMITTEE:**

1. Mrs. T. Uma Sangeetha - Chairman
2. Mr. J.R.K. Pandu Ranga Rao - Member
3. Dr. B. Gopal Reddy - Member

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

1. Mr. J.R.K. PanduRangaRao - Chairman
2. Mrs. T. Uma Sangeetha - Member
3. Dr. B. Gopal Reddy - Member

**INDEPENDENT DIRECTORS COMMITTEE:**

1. Ms. T. Uma Sangeetha - Chairman
2. Mr. J. R. K. PandurangaRao - Member
3. Dr. B. Gopal Reddy - Member

**RISK MANAGEMENT COMMITTEE:**

1. Dr. B. Gopal Reddy - Chairman
2. Mrs. T. Uma Sangeeta - Member
3. Mr. S. Mohan Krishna Murthy - Member

**REGISTRAR & SHARE TRANSFER AGENTS**

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

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

**ISIN** : INE749B01012

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

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

## NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Shareholders of Ortin Laboratories Limited will be held on Tuesday, 29th day of December, 2020 at 11:30 A.M. through Video Conferencing/ Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. S. Mohan Krishna Murthy (DIN:00540705) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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

### SPECIAL BUSINESS:

#### 4. APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2020-21:

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is here by accorded for appointment of M/s. KJU & Associates(Registration No.000474), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2021 on a remuneration of Rs.40,000/- (Rupees forty thousand only) plus out of pocket expenses and applicable taxes.

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

#### 5. REAPPOINTMENT OF MR. S. MOHAN KRISHNA MURTHY (DIN: 00540705) AS WHOLE TIME DIRECTOR OF THE COMPANY:

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

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

reappoint Mr. S. Mohan Krishna Murthy (DIN: 00540705) as Whole-time Director of the Company for a period of three years with effect from 01.04.2021 to 31.03.2024 at a remuneration upto Rs. 2,50,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.

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

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

**6. REAPPOINTMENT OF MR. S. SRINIVAS KUMAR (DIN: 02010272) AS WHOLE TIME DIRECTOR OF THE COMPANY:**

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Srinivas Kumar(DIN: 02010272) as Whole-time Director of the Company for a period of three years with effect from 01.04.2021 to 31.03.2024 at a remuneration upto Rs. 2,50,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.

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

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

**7. APPOINTMENT OF MR. MURALI KRISHNA RAYAPROLU AS INDEPENDENT DIRECTOR OF THE COMPANY**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 and Rules made their under, Mr. Murali Krishna Rayaprolu (DIN: 08928502) who was appointed as 'Additional Director' on 23.10.2020 and pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which the Annual General Meeting would have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Murali Krishna Rayaprolu as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from 23.10.2020 to 22.10.2025.

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

**8. APPOINTMENT OF MS. POTTUR SUJATHA AS INDEPENDENT DIRECTOR OF THE COMPANY**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 and Rules made their under, Ms. Pottur Sujatha (DIN: 08979645) who was appointed as 'Additional Director' on 05.12.2020 and pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which the Annual General Meeting would have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Pottur Sujatha as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from 05.12.2020 to 04.12.2025.



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

Place: Hyderabad  
Date: 05.12.2020

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

# ORTIN LABORATORIES LIMITED

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

<b>Name of the Director</b>	<b>Mr. S.Srinivas Kumar</b>	<b>Mr. Bh. Satyanarayana Raju</b>	<b>Mr. S. Mohan Krishna Murthy</b>	<b>Mr. Murali Krishna Rayaprolu</b>	<b>Ms. Pottur Sujatha</b>
Date of Birth	01.07.1965	25.05.1950	18.09.1952	10.08.1959	22.06.1974
Qualification	S.S.C	Graduate	SSC	Graduate	Graduate
Expertise in specific functional areas	Distribution network	Administration and Finance	Administration	Finance	Administration
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-	-	-	-
Shareholding of non-executive directors.	-	-	-	-	-
No. of Shares held in the Company	2,46,723 Equity Shares of the Company	4,96,130 Equity Shares of the Company	35,816 Equity Shares of the Company	--	--
Inter relationship with any Director	Related to Mr. S. Murali Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S. Mohan Krishna Murthy	-	Related to Mr.S. Murali Krishna Murthy, Mr. S. Balaji Venkateswarlu and Mr. S.Srinivas Kumar	--	-

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Place: Hyderabad

Date: 05.12.2020

**NOTES:**

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the AGM of the Company is being held through VC / OAVM.  
Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd December, 2020 to 29th December, 2020 (including both days).
4. Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants.
5. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. KFIN Technologies Private Limited.)
6. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. KFIN Technologies Private Limited, Share Transfer Agents of the Company for their doing the needful.
7. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
8. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

9. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
11. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2019- 20 will also be available on the Company's website [www.ortinlabsindia.com](http://www.ortinlabsindia.com) for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com)
12. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 33rd Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
13. e-AGM: Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
14. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
15. The Members can join the e-AGM 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
16. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
17. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
18. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**Instructions for the Members for attending the e-AGM through Video Conference:**

1. Attending e-AGM Video conference: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the “video conference” and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. 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 in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants 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.
6. AGM Questions prior to e-AGM: Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on “Post your Questions” may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos (i.e. 22nd December, 2020).
7. Due to limitations of transmission and co-ordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
8. Speaker Registration during e-AGM session: In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on “Speaker Registration” by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on 24th December, 2020 at 9.00 AM and will be closed on 28th December, 2020 at 5.00 PM
19. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called ‘the Rules’ for the purpose of this section of the Notice) and regulation 44 of the SEBI (LODR) regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting facility to exercise votes

on the items of business given in the Notice through electronic voting system, to members holding shares as on 22nd December, 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin Technologies Private Limited or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

- i. The details of the process and manner for remote e-voting are given below:
  - i. Initial password is provided in the body of the email.
  - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
  - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
  - iv. After entering the details appropriately, click on LOGIN.
  - v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. You need to login again with the new credentials.
  - vii. On successful login, the system will prompt you to select the EVENT i.e. Bajaj Auto Limited.
  - viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
  - ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
  - x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote

- subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at viveksurana24@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL\_EVENT No.'
  - xii. Members can cast their vote online from 26thDecember, 2020 (9.00 a.m.) till 28thDecember, 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
  - xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).
20. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  21. The Board of Directors of the Company has appointed Vivek Surana & Associates, Practicing Company Secretaries as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
  22. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd December, 2020.
  23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22nd December, 2020 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
  24. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.ortinlabsindia.com](http://www.ortinlabsindia.com) and on the website of the KFin Tech <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
  25. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is

required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2019-20, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2012-13 to the IEPF.

26. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 22nd December, 2020.
27. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
29. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
30. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

Place: Hyderabad  
Date: 05.12.2020



## **EXPLANATORY STATEMENT**

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

### **ITEM NO 4:**

#### **APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2020-2021:**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. KJU & Associates (Registration No.000474), Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2021 to conduct the audit of cost records and fixed their remuneration at Rs. 40,000/- (Rupees forty thousand only) plus out of pocket expenses and applicable taxes etc.

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

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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

### **ITEM NO 5:**

#### **REAPPOINTMENT OF MR. S. MOHAN KRISHNA MURTHY (DIN: 00540705) AS WHOLETIME DIRECTOR OF THE COMPANY:**

Mr. S. Mohan Krishna Murthy (DIN: 00540705) was appointed as Whole-time Director of the Company for a period of 3 years from 01.04.2018 to 31.03.2021 at the 31st Annual General Meeting held on 29.09.2018.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 30.07.2020, approved the re-appointment of Mr. S. Mohan Krishna Murthy (DIN: 00540705) as Wholetime Director of the Company for a term of three years commencing from 01.04.2021 to 31.03.2024 with a remuneration upto Rs. 2,50,000p.m.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5 of the notice for reappointment of Mr. S. Mohan Krishna Murthy (DIN: 00540705).

Save and except S. Mohan Krishna Murthy Whole-Time Director, being an appointee and S. Murali Krishna Murthy, Managing Director, S. Balaji Venkateswarlu Whole-Time Director and Mr. S. Srinivasa Kumar, Wholetime Director being his relatives, none of the other Directors/Key

# ORTIN LABORATORIES LIMITED

Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

## I. GENERAL INFORMATION

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

Particulars	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Turnover	19757.91	16788.98	8107.52
Net profit after Tax	(56.39)	128.00	67.92

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

## II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details: Mr. S. Mohan Krishna Murthy is aged about 61 yrs, is an undergraduate and he is the Director of the company. He has an experience of 37yrs in Pharma Business. He is the Incharge of the Financial aspects of the company
2. Past Remuneration: The remuneration drawn by S. Mohan Krishna Murthy (DIN: 00540705), Whole time Director is Rs. 3,00,000 per year
3. Recognition or awards : -- Nil
4. Job Profile and his suitability:  
Keeping the past record of Mr S. Mohan Krishna Murthy in mind and his contribution towards the Company, it is proposed to re-appoint him as Wholetime Director of the Company.
5. Remuneration proposed:  
As set out in the resolutions for the item No.5 the remuneration to Mr. S. Mohan Krishna Murthy, Whole-time 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. Mr. S. Mohan Krishna Murthy and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

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

Besides the remuneration, he is holding 35,816 Equity Shares of the Company.

### III. OTHER INFORMATION:

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

### ITEM NO 6:

#### **REAPPOINTMENT OF MR. S. SRINIVAS KUMAR (DIN: 02010272) AS WHOLETIME DIRECTOR OF THE COMPANY:**

Mr. S. Srinivas Kumar (DIN: 02010272) was appointed as Whole-time Director of the Company for a period of 3 years from 01.04.2018 to 31.03.2021 at the 31st Annual General Meeting held on 29.09.2018.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 30.07.2020, approved the re-appointment of Mr. S. Srinivas Kumar (DIN: 02010272) as Whole-time Director of the Company for a term of three years commencing from 01.04.2021 to 31.03.2024 with a remuneration upto Rs. 2,50,000 p.m.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 6 of the notice for reappointment of Mr. S. Srinivas Kumar (DIN: 02010272).

Save and except Mr. S. Srinivas Kumar (DIN: 02010272) Whole-Time Director, being an appointee and S. Murali Krishna Murthy, Managing Director, S. Balaji Venkateswarlu Whole-Time Director and Mr. S. Mohan Krishna Murthy, Wholetime Director being his relatives, none of the other

Directors / Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

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

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

Particulars	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Turnover	19757.91	16788.98	8107.52
Net profit after Tax	(56.39)	128.00	67.92

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

**II. INFORMATION ABOUT THE APPOINTEE:**

1. Background Details: Mr. S. Srinivas Kumar is aged about 48 yrs, is an undergraduate and he is the Director of the company. He has an experience of 25 yrs in Pharma Business.
2. Past Remuneration: The remuneration drawn by Mr. S. Srinivas Kumar (DIN: 02010272), Whole-Time Director is Rs. 5,40,000 per year.
3. Recognition or awards : -- Nil
4. Job Profile and his suitability:

Keeping the past record of Mr. S. Srinivas Kumar in mind and his contribution towards the Company, it is proposed to re-appoint him as Whole-time Director of the Company.

5. Remuneration proposed:

As set out in the resolutions for the item No 6 the remuneration to Mr. S. Srinivas Kumar, Whole-time 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. Srinivas Kumar

and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

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

Besides the remuneration, he is holding 2,46,723 Equity Shares of the Company.

### III. OTHER INFORMATION:

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

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

### ITEM NO. 7

#### **APPOINTMENT OF MR. MURALI KRISHNA RAYAPROLU AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Murali Krishna Rayaprolu (DIN: 08928502) was appointed as Additional Director on 23rd October, 2020 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Murali Krishna Rayaprolu for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Murali Krishna Rayaprolu as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 23.10.2020 to 22.10.2025.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no.7 of the notice for appointment of Mr. Murali Krishna Rayaprolu.

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

#### **ITEM NO. 8**

#### **APPOINTMENT OF MS. POTTUR SUJATHA AS INDEPENDENT DIRECTOR OF THE COMPANY**

Ms. Pottur Sujatha (DIN: 08979645) was appointed as Additional Director on 05th December, 2020 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Ms. Pottur Sujatha for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Ms. Pottur Sujatha as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 05.12.2020 to 04.12.2025.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no.8 of the notice for appointment of Ms. Pottur Sujatha.

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

Place: Hyderabad  
Date: 05.12.2020

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

Sd/-

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2020.

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

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

<b>Particulars</b>	<b>(Rs. In Lakhs)</b>	
	<b>2019-2020</b>	<b>2018-2019</b>
Total Revenue from operations	19,757.91	16788.98
Total Expenses	19,686.05	16605.18
Profit Before Tax	71.85	183.80
Less: Provision for Taxation	128.24	55.80
Profit / (Loss) After Tax	(56.39)	128.00
Other Comprehensive Income	(71.41)	(26.42)
Total Comprehensive Income	(127.80)	101.58
Earning per Equity Share- Basic & Diluted (in Rs.)	(0.33) & (0.33)	0.76 & 0.76

### **REVIEW OF OPERATIONS:**

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

### **2. IMPACT OF COVID – 19**

The disruptive effects of the corona virus COVID-19 have placed enormous strain on the global supply of medical products, increasing the risk of shortages.

The COVID-19 crisis provides an opportunity to the Indian pharmaceutical industry to play an even more important role in global healthcare. There is a potential opportunity for India to truly play the role of 'pharmacy of the world'. How can the pharmaceuticals industry in India use the opportunity to leapfrog into the future using the impetus provided by COVID-19, is an important aspect, requiring careful consideration

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

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

**4. RESERVES**

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

**5. DIVIDEND**

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

**UNPAID / UNCLAIMED DIVIDEND**

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

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

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2013 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already send reminders to all such members at their registered address in this regard. Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-Section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-Section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

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

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report (i.e.30.07.2020)

**7. BOARD MEETINGS:**

The Board of Directors duly met Seven (7) times during the financial year from 1st April



2019 to 31st March 2020. The dates on which the meetings were held are 15.05.2019, 30.05.2019, 14.08.2019, 21.10.2019, 14.11.2019, 17.01.2020 and 14.02.2020.

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

- Mr. K. Pradyumna Teja, resigned as Independent Director of the company w.e.f.04.03.2020 citing the reason that Ministry of Corporate Affairs has made it mandatory to all independent Director to register with Independent Director's Data bank and also appear for a proficiency test thereafter and He is finding it difficult to study and attempt for the same due to his other commitments. The Board places on record his sincere appreciation for the valuable services rendered by him during his tenure as Director.
- Mr. T. Sheshagiri, Independent Director of the company has expired on 30.07.2020. The Board places on record his sincere appreciation for the valuable services rendered by him during his tenure as Director.
- Mr.S. Mohan Krishna Murthy and Mr.Bh. Satyanarayana Raju are liable to retire by rotation, being eligible, offer themselves for reappointment.
- Mr. S. Mohan Krishna Murthy and Mr. S. Srinivas Kumar are being reappointed as Whole-time Director for the term of 3 years.
- Ms. Sharvari Suhas Khadke resigned as a company secretary and compliance officer of the company w.e.f 21.10.2019 and Mr. Nitesh Kumar Sharma was appointed as company secretary and compliance officer w.e.f 24.07.2020.

**9. REVISION OF FINANCIAL STATEMENTS**

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

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

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

The Independent Directors have also confirmed that they have complied 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 judgement and without any external influence.

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

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

The details of familiarisations programme held in FY 2019-20 are also disclosed on the Company's website at <https://www.ortinlabsindia.com/>

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

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

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

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**14. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2012-13 will be expired on 05.11.2020 and thereafter the amount standing to the credit in the said account will be transferred to the “Investor Education and Protection Fund” of the Central Government.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2020 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming Dividend	Unclaimed amount as on 31.03.2020 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2012-2013	30.09.2013	29.10.2013	52,604	05.11.2020

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

**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. EXTRACT OF ANNUAL RETURN:**

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

**17. STATUTORY AUDITORS:**

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

year 2021-2022 which was subject to ratification as per the provisions of Companies Act, 2013.

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

**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:**

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

**19. DISCLOSURE ABOUT COST AUDIT:**

As per Section 148 of the Companies Act, 2013 read with Rules framed there under M/s KJU & Associates (Registration No. 000474) Cost Accountants were appointed as Cost Auditors of the Company for the financial year ending 31st March, 2020.

**20. INTERNAL AUDIT:**

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

**21. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31.03.2020. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

**22. QUALIFICATIONS IN AUDIT REPORTS:**

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

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2020 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, 2020 on the Compliances according to the provisions of Section 204 of the Companies Act 2013, and have noted that there are few observations i.e., non-appointment of internal auditor in terms of Section 138 of the Companies Act, 2013 and Non-transfer of Unpaid Dividend amount for the year 2010-11 and 2011-12 to Investor Education and Provident Fund under Section 124 of the Companies Act, 2013.

**Reply:**

There is a delay from Karnataka Bank in providing details of the Unpaid /Unclaimed Dividend amount for the year 2010-11 and 2011-12 which is to be transferred to Investor Education and Provident Fund. As and when the data is received, the Company shall transfer the amount immediately. The Board is in the process of appointing Internal Auditor.

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

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

**24. RELATED PARTY TRANSACTIONS:**

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

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

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

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

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

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

**A. Conservation of Energy:**

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

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

**B. Technology Absorption:**

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

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

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

**27. COMMITTEES:**

(I) AUDIT COMMITTEE:

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

(II) NOMINATION AND REMUNERATION COMMITTEE:

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

(III) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

(IV) RISK MANAGEMENT COMMITTEE AND POLICY:

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

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

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

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

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

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

**30. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):**

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

**31. PUBLIC DEPOSITS:**

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

**32. 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 except that the Hon'ble NCLT vide order dated 06.01.2020 has ordered to convene the Meeting of Equity Shareholders and Sundry Creditors on 26.02.2020 for the approval of the Scheme of Arrangement between Ortin Laboratories Limited and Vineet laboratories Limited and dispensed to convene the meetings of Secured and Unsecured Creditors on receipts of No object from them.

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

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

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

**34. INSURANCE:**

The properties and assets of your Company are adequately insured.

**35. CREDIT & GUARANTEE FACILITIES:**

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

**36. RISK MANAGEMENT POLICY:**

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

**37. SHARE CAPITAL**

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

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

**38. 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.

**39. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

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

**40. 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.



<b>Name of the policy</b>	<b>Brief Description</b>	<b>Website link</b>
Board Diversity Policy	At Ortin Laboratories Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	<a href="https://www.ortinlabsindia.com/investors/Policies/board-diversity-policy.pdf">https://www.ortinlabsindia.com/investors/Policies/board-diversity-policy.pdf</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="https://www.ortinlabsindia.com/investors/Policies/Nomination%20&amp;%20Remuneration%20Policy.pdf">https://www.ortinlabsindia.com/investors/Policies/Nomination &amp; Remuneration Policy.pdf</a>
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="https://www.ortinlabsindia.com/investors/Policies/Material%20subsidiaries.pdf">https://www.ortinlabsindia.com/investors/Policies/Material subsidiaries.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	<a href="https://www.ortinlabsindia.com/investors/Policies/RelatedParty%20transaction%20policy.pdf">https://www.ortinlabsindia.com/investors/Policies/RelatedParty transaction policy.pdf</a>

**41. 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.

**42. 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.

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

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

**Constitution of Committee:**

<b>Name</b>	<b>Designation</b>
Sujata	Presiding Officer
G. Padma	Member
T. Srinivas Rao	Member
Dasaripalla Joji	External Member

All employees are covered under this policy. During the year 2019-20, there were no complaints received by the Committee.

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

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

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

During the year NONE of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified

under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**45. RATIO OF REMUNERATION TO EACH DIRECTOR**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (Mr .S. Murali Krishna Murthy), Joint Managing Director (Mr .G. Venkata Ramana), Whole-Time Directors (S. Mohan Krishna Murthy, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) of the Company to the median remuneration of the employees is 2.28:1, 10.58:1, 1.17:1, 2.24:1 and 8.74:1 respectively.

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

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

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

**47. MECHANISM FOR EVALUATION OF THE BOARD**

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

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

The Directors were given evaluation forms for the following:

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

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

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

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

#### **48. SECRETARIAL STANDARDS**

The Company is in compliance with the applicable secretarial standards.

#### **49. EVENT BASED DISCLOSURES**

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

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

#### **50. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

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

#### **51. DE-MERGER:**

The Board in its meeting held on 17.01.2020 has changed the appointed date from 01.04.2017 to 01.04.2020.

The Hon'ble NCLT vide order dated 06.01.2020 has ordered to convene the Meeting of Shareholders and Sundry Creditors on 26.02.2020 for the approval of the Scheme of Arrangement between Ortin Laboratories Limited and Vineet laboratories Limited and dispensed to convene the meetings of Secured and Unsecured Creditors on receipts of No object from them.

The Shareholders and Sundry Creditors of the Company in the Hon'ble NCLT convened meeting of Shareholders and Sundry Creditors held on 26.02.2020 has approved the scheme and the petition was filed with Hon'ble NCLT on 18.05.2020.

**52. CEO/ CFO Certification**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2019-20 is annexed in this Annual Report.

**53. ACKNOWLEDGMENTS:**

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

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

Place: Hyderabad  
Date: 30.07.2020

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

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

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2019-20**

The shareholders,

**Code of Conduct**

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

**Certificate of Code of Conduct for the year 2019-20 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2019-20.

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

Place: Hyderabad  
Date: 30.07.2020

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

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

**MGT 9**  
**Extract of Annual Return**  
**As on the Financial Year 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS**

- i. CIN L24110TG1986PLC006885
- ii. Registration Date 27.10.1986
- iii. Name of the Company Ortin Laboratories Limited
- iv. Category / Sub-Category of the Company Company limited by shares/  
Non-Government Company
- v. Address of the Registered office and contact details D.No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park,  
Barkatpura, Hyderabad-500027, Telangana
- vi. Whether listed company Yes/No Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any M/s. Kfin Technologies Private Limited  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500 032  
Tel: 040-67161500 Fax 040-23001153

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

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	(2S,3S,5S)-2-Amino-3-hydroxy-5-(tert-butyloxy carbonyl)amino-1,6-diphenyl hexane hemi succinic acid salt OR Ritonavir intermediate-VI(BDH salt) (BDH)	538289000	30.58
2	Carbonic Acid,4-NitroPhenyl-5-Thiazolyl Methyl Ester (NCT-RX)	193418400	10.99
3	Piroctone Olamine (CNT)	151940000	8.63

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL									
S.No.	Name and Address of the Company	CIN/GLN			Holding/Subsidiary /Associate	% of shares held	Applicable Section		
	The Company does not have any subsidiaries.								
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) <i>Category-wise Share Holding:-</i>									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	5901366	--	5901366	34.84	5901366	--	5901366	34.84	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1) :-</b>	5901366	--	5901366	34.84	5901366	--	5901366	34.84	--
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	5901366	--	5901366	34.84	5901366	--	5901366	34.84	--



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	150	--	150	0.00	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	416998	1800	418798	2.47	247815	1800	249615	1.47	(1.00)
ii) Overseas	--	--	--	--	--	--	--	--	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4685952	145274	4831226	28.52	4648256	143574	4791830	28.29	(0.24)
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	5509458	37800	5547258	32.75	5723091	25900	5748991	33.94	1.19
c) NBFC registered with RBI	22599	-	22599	0.13	-	-	-	-	(0.13)
1. NRI	204791	-	204791	1.21	219642	--	219642	1.30	0.09
2. Clearing Members	14362	-	14362	0.08	28806	--	28806	0.17	0.09
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>10854160</b>	<b>184874</b>	<b>11039034</b>	<b>65.16</b>	<b>10867760</b>	<b>171274</b>	<b>11039034</b>	<b>65.16</b>	<b>--</b>

C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	16755526	184874	16940400	100.00	16769126	171274	16940400	100.00	--

**(ii) Shareholding of Promoters**

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

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

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

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

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

4	DASARI BHUVANESWARI	169000	1.00	--	--	--	169000	1.00
5	SHILPI DEWAN	160000	0.94	--	--	--	160000	0.94
6	SHABBIR NAZAMUDDIN PARATHA	47662	0.28	20/09/2019 - 52338 27/09/2019 - 5663 30/09/2019 - 21979 04/10/2019 - 20862 20/03/2020 - 10000	increase	110842	158504	0.94
7	GAMINI SOMA SUBBA LAKSHMI	150394	0.89	--	--	--	150394	0.89
8.	PULIKONDA LEELA MADHURI	140800	0.83	12/04/2019 - 4100 17/05/2019 - 2400 20/12/2019 - 500	decrease	7000	133800	0.79
9	CHAKKA MADHUSUDHAN A GUPTA	149072	0.88	--	--	--	149072	0.88
10	DASARI VENKATA PADMA SUJATHA	144000	0.85	--	--	--	144000	0.85

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

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

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

<b>6.</b>	<b>Mr. Bh. Satyanarayana Raju</b>				
	At the beginning of the year	496130	2.93	496130	2.93
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year			496130	2.93
<b>7.</b>	<b>Mr.J. R. K. Panduranga Rao</b>				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	-	-	-	-
<b>8.</b>	<b>Mr. T Seshagiri</b> (expired on 30.07.2020)				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	-	-	-	-
<b>9.</b>	<b>Mr. B. Gopal Reddy</b>				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	-	-	-	-
<b>10.</b>	<b>Ms.T. Uma Sangeetha</b>				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease	--	--	--	--
	At the End of the year	--	--	--	--

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	164360988	29239749	--	193600737
<b>Total (i+ii+iii)</b>	<b>164360988</b>	<b>29239749</b>	<b>--</b>	<b>193600737</b>
Change in Indebtedness during the financial year Addition Reduction	8282816	(7305220)	-	8282816 (7305220)
Net Change	8282816	(7305220)	--	977596
<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	172643504	21934529	-	194578033
<b>Total (i+ii+iii)</b>	<b>172643504</b>	<b>21934529</b>	<b>--</b>	<b>194578033</b>



<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>				
<b>Sl. no.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager:</b>		<b>Total Amount in Lakhs</b>
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. S. Murali Krishna Murthy	5.70	5.70
		Mr. S. Mohan Krishna Murthy	3.00	3.00
		Mr. S. Balaji Venkateswarulu		
		Mr. S. Srinivas Kumar	5.40	5.40
		Mr. G. VenkataRamana	27.00	27.00
		Mr. Bh. Satyanarayana Raju	21.00	21.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--
5.	Others, please specify	--	--	--
	<b>Total (A)</b>	--	<b>67.50</b>	<b>67.50</b>
	Ceiling as per the act	Within the ceiling limits	--	--

<b>B. Remuneration to other directors:</b>							
Sl. no.	Particulars of Remuneration	J.R.K Pandu Ranga Rao	Pradyumna Teja	T. Seshagiri	Uma Sangeeta	B. Gopal Reddy	Total Amount (Rs. In Lakhs)
1	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	0.05	0.4	0.03	0.05	0.04	0.21
	Total (1)	0.05	0.4	0.03	0.05	0.04	0.21
2.	Other Non-Executive Directors Fee for attending board / committee meetings commission · Others, please specify	--	--	--	--	--	
	Total (2)	--	--	--	--	--	
	Total (B)=(1+2)	0.05	0.4	0.03	0.05	0.04	0.21
	Total Managerial Remuneration (A+B)	--					67.71
	Overall Ceiling as per the Act	--	--	--	--	--	--
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>							
Sl. no.	Particulars of Remuneration	Key Managerial Personnel					
		CEO	Company Secretary	CFO	Total		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	Mrs. Sharvari Swapnil Shinde  (Rs.90,000/-)	--	1.80		
2.	Stock Option		-	-	-		
3.	Sweat Equity		-	-	-		
4.	Commission - as % of profit - others, specify...		-	-	-		
5.	Others, please Specify	-	-	-	-		
6.	Total	-	90,000	--	0.90		

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

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

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

To,  
The Members  
**Ortin Laboratories Limited**

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2019-20:-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures, wherever applicable.
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,

2015 and Amended Regulations 2018; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. <https://www.ortinlabsindia.com>

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable as the company has not issued any shares during the year under review.
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; Not Applicable as the Company has not issued any debt securities during the year under review.
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFin Technologies Private Limited as its Share Transfer Agent.
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
- ix. Other applicable laws include the following:
  - a) Factories Act, 1948
  - b) Payment Of Wages Act, 1936, and rules made there under,
  - c) The Minimum Wages Act, 1948, and rules made there under,
  - d) Employees' State Insurance Act, 1948, and rules made there under,
  - e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - f) The Payment of Bonus Act, 1965, and rules made there under,
  - g) Payment of Gratuity Act, 1972, and rules made there under,
  - h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

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

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

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

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

- a) During the year the Company has conducted 7 meetings of the Board of Directors, 1 Hon'ble NCLT meeting of Equity shareholders and Sundry Creditors, 4 meetings of the Audit committee, 1 Meetings of Stakeholder Relationship Committee, 2 Meetings of Nomination and Remuneration Committee meeting and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
  - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Mr. B Satyanarayana Raju. During the year, as on 21.10.2019, the company has resigned Ms. Sharvari Swapnil Shinde as Company Secretary cum compliance officer. However, Mr. Nitesh Kumar Sharma was appointed as Company Secretary cum compliance officer w.e.f. 24.07.2020.
- The Company has not appointed internal auditor.
- The company has not yet transferred the Unpaid dividend amount for the year 2010-11 and 2011-12 to Investor Education and Provident Fund as required under Section 124 of the Companies Act, 2013.
- 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.
- We further report that during the year under report, the Company has convened a Hon'ble NCLT meeting of Equity shareholders and Sundry Creditors for the approval of Scheme of arrangement and Reclassification of Promoters.
- BSE has frozen the shareholding of promoters for non-compliance with provisions of Corporate Governance for Quarter ended 31.12.2018. However, The Company has submitted its reply that it has complied with the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015 and the decision of the BSE on the same is awaited. NSE has already withdrawn the penalty on same matter.

**For Vivek Surana & Associates**

Place: Hyderabad  
Date: 29.07.2020

**Vivek Suarana**  
Proprietor  
M. No. A24531, C.P. No: 12901  
UDIN:A024531B000523689

**Annexure A**

To  
The Members of  
Ortin Laboratories Limited

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

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

**For Vivek Surana & Associates**

Place: Hyderabad  
Date: 29.07.2020

**Vivek Suarana**  
Proprietor  
M. No. A24531, C.P. No: 12901  
UDIN:A024531B000523689



## **AOC - 2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL  
There are no contracts or arrangements or transactions not at arm's length basis.
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
  
2. **Details of material contracts or arrangement or transactions at arm's length basis: NIL**
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts / arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Date(s) of approval by the Board, if any:
  - (f) Amount of Unsecured Loan:

## ANNEXURE-V

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

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

Sl.No.	Particulars	Details
1.	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	The ratio of remuneration of Managing Director (S. Murali Krishna Murthy), Joint Managing Director (G. Venkata Ramana), Wholetime Directors (S. Mohan Krishna Murthy, S. Srinivas Kumar) and Whole-time Director cum CFO (B. Satyanarayana Raju) to the median remuneration of employees is 2.28:1, 10.58:1, 1.17:1, 2.24:1 and 8.74:1. respectively.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	5 % (Murali Krishna Murthy), 5% (Mohan Krishna Murthy), 27.5 % (G. Venkata Ramana), 27.5 % (Bh. satya Narayana Raju)
3.	The percentage increase in the median remuneration of employees in the financial year	12.6%
4.	The number of employees on the rolls of the company	99
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees is 12.6% and is in line with the average percentile increase in managerial remuneration
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

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

Sl. No.	Name of the employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	G. Venkata Ramana	Joint Managing Director	2521032	Regular	M.SC	30.09.10	52	--	4.83	-
2	Bh. Satyanarayana Raju	Whole-time Director cum CFO	2100000	Regular	Graduate	30.09.10	69	--	2.93	--
3	K. Murali Mohan	General Manger	1680864	Regular	M.SC	21.07.07	43	--	--	--
4	V. Vara Prasada Rao	Production Manager	1680864	Regular	B.SC	23.07.07	47	--	1.26	--
5	P.V. Rama Krishna	Manager -QA	1024527	Regular	M.Sc	01.04.15	44	--	--	--
5	D. Nageswara Rao	Dy. Manager	1125615	Regular	M.Sc	30.09.2019	57	--	--	--
6	D. Veera Venkata Rao	Manger R&D	1079681	Regular	M.sc	30.05.2019	40	--	--	--
7	P.AnjaneyaRaju	Manger QA	891888	Regular	M.SC	10.07.2015	40	--	--	--
8	A.PrabhakaraRaju	Manger Stores	840348	Regular	SSLC	01.07.2017	47	--	3.64	--
9	A.SrinivasaRaju	Manager Purchase	840348	Regular	SSLC	01.07.2017	42	--	2.32	--
10	A M Sajit	Manger QC	710195	Regular	M.SC	16.09.2019	40	--	--	--

## CORPORATE GOVERNANCE

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

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

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

### DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2020. The Report is updated as on the date of the report wherever applicable.

### BOARD DIVERSITY

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

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

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

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

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

The Company is managed and controlled through a body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Managing Director. As on date of this report, the Board of Directors of the Company has 9 members (including 4 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

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

S. No	Name of the Director	Category	Number of Directorships in other Listed Companies		Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Name	No. of companies	Member	Chairman	Last AGM 30.09.2019	Board meetings '19-20'	
								Held	Attended
1	Mr. S. Murali Krishna Murthy	Managing Director	-	-	-	-	Yes	7	7
2	Mr. G. Venkata Ramana	Joint Managing Director	-	-	-	-	Yes	7	7
3	Mr S. Mohan Krishna Murthy	Whole-Time Director	-	-	-	-	Yes	7	7
4	Mr S. Balaji Venkateswarlu	Non Executive & Non Independent Director	-	-	-	-	Yes	7	7
5	Mr S. Srinivas Kumar	Whole-Time Director	-	-	-	-	Yes	7	7

**ORTIN LABORATORIES LIMITED**

S. No	Name of the Director	Category	Number of Directorships in other Listed Companies		Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Name	No. of companies	Member	Chairman	Last AGM 30.09.2019	Board meetings 19-20	
							Held	Attended	
6	Mr B. Satyanarayana Raju	Whole-Time Director Cum CFO	-	-	-	-	Yes	7	7
7	Mr J. R. K. Panduranga Rao	Chairman, Non Executive & independent Director	-	-	-	-	Yes	7	7
8	Mr K. Pradyumna Teja	Non Executive & Independent Director	-	-	-	-	Yes	7	7
9	Mr T Seshagiri	Non Executive & Independent Director	-	-	-	-	Yes	7	7
10	Dr B. Gopal Reddy	Non Executive & Independent Director	-	-	-	-	Yes	7	7
11	Mrs T. Uma Sangeetha	Non Executive & Independent Director	-	-	-	-	Yes	7	7

\* resigned on 04.03.2020

\*\*expired on 30.07.2020

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

<b>S. No</b>	<b>Names of the Director</b>	<b>Existing Skills/Expertise/Competence</b>
1	Mr. S. Murali Krishna Murthy	Management
2	Mr. G. Venkata Ramana	Administration
3	Mr. S. Mohan Krishna Murthy	Accounts & Finance
4	Mr. S. Balaji Venkateswarlu	Marketing
5	Mr. S. Srinivaskumar	Distribution network
6	Mr. B. Satyanarayana Raju	Administration and Finance
7	Mr. J. R. K. Panduranga Rao	Technical Adviser
8	Dr. B. Gopal Reddy	Technical Adviser
9	Mrs. T. Uma Sangeetha	Public Relations

**B. MEETINGS DURING THE YEAR**

During the year, the Board of Directors duly met 7 (Seven) times on 15.05.2019, 30.05.2019, 14.08.2019, 21.10.2019, 14.11.2019, 17.01.2020 and 14.02.2020 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.

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

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company’s operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any

- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

#### **E. 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.

Mr. K. PradyumnaTeja, resigned as Independent Director of the company w.e.f. 04.03.2020 citing the reason that Ministry of Corporate Affairs has made it mandatory to all independent Director to register with Independent Director's Data bank and also appear for a proficiency test thereafter. He is finding it difficult to study and attempt for the same due to his other commitments. The Board places on record his sincere appreciation for the valuable services rendered by him during his tenure as Director.



Mr. T. Sheshagiri, Independent Director of the company has expired on 30.07.2020. The Board places on record his sincere appreciation for the valuable services rendered by him during his tenure as Director.

#### **F. 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 14.02.2020, and discussed the following:

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

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

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

#### **G. RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION**

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

#### **H. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

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

The details of familiarisation programme held in FY 2019-20 are also disclosed on the Company's website i.e. [www.ortinlabsindia.com](http://www.ortinlabsindia.com)

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

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

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

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2019-20 on February 14, 2020, involving the following:

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

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 14, 2020, mainly to review the performance of Independent Directors and the Whole Time Director as 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.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

<b>Categories</b>	<b>Rating (out of 5)</b>
Board as a whole	4.90
<b>Individual Directors</b>	
Mr. S. Murali Krishna Murthy	4.95
Mr. G. Venkata Ramana	4.94
Mr. S. Mohan Krishna Murthy	4.95
Mr. S. Balaji Venkateswarlu	4.90
Mr. S. Srinivas Kumar	4.46
Mr. Bh. Satyanarayana Raju	4.72
Mr. J. R. K. Panduranga Rao	4.30
Mr. B. Gopal Reddy	4.10
Ms. T. Uma Sangeetha	4.80
Mr. K. Pradyumna Teja (Resigned on 04.03.2020)	4.30
Mr. T Seshagiri (Expired on 30.07.2020)	4.10
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92
Independent Directors Committee	4.85

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

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

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

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.

## ORTIN LABORATORIES LIMITED

---

- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept; e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company’s Whistle Blower Policy.
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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

There were four (4) Audit Committee Meetings held during the year on 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.

Name	Designation	Category	Number of meetings during the year 2019-2020	
			Held	Attended
***Mr. K. Pradyumna Teja	Chairman Non-Executive	Independent,	4	4
Mr. J.R.K. PanduRangaRao	Member Non-Executive	Independent,	4	4
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	4	4
*T. Seshagiri	Chairman	Independent, Non-Executive	-	-
**T. Uma Sangeeta	Chairman	Independent, Non-Executive	-	-

\*appointed as chairperson on 04.03.2020 and expired on 30.07.2020

\*\* appointed as chairperson on 30.07.2020

\*\*\* resigned as chairperson 04.03.2020

**C.** Previous Annual General Meeting of the Company was held on 30th September 2019 and Mr. K. Pradyumna Teja, Chairman of the Audit Committee for that period, attended previous AGM.

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

The Committee comprises of three non-executive independent Directors

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

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- devising a policy on diversity of board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

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

There was one Nomination and Remuneration Committee Meetings held during the financial year on 14.08.2019 and 14.02.2020

Name	Designation	Category	Number of meetings during the year 2019-20	
			Held	Attended
*Mr. T. Seshagiri	Chairman	Independent, Non-Executive	2	2
***Mr. Pradyumna Teja	Member	Independent, Non-Executive	2	2
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	2	2
**T. Uma Sangeeta	Chairman	Independent, Non-Executive	-	-
**** Mr. J.R.K. Pandu Ranga Rao	Member	Independent, Non-Executive	-	-

\* expired on 30.07.2020

\*\* appointed as chairperson on 30.07.2020

\*\*\* resigned as chairperson 04.03.2020

\*\*\*\* appointed as a member on 04.03.2020

**C. REMUNERATION POLICY**

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

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

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

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

**2. Terms and References:**

- 2.1 **“Director”** means a Director appointed to the Board of a Company.
- 2.2 **“Nomination and Remuneration Committee”** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 **“Independent Director”** means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013, Clause 49(II) (B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**

**Qualifications and criteria**

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company’s operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
- General understanding of the Company’s business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 3.1.3 The proposed appointee shall also fulfill the following requirements:
- shall possess a Director Identification Number;
  - shall not be disqualified under the companies Act, 2013;
  - shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
  - shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
  - shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;



- Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. and other relevant laws.

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

### 3.2 Criteria of Independence

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

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

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;  
(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-

- (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
  - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
  - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.

f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.

g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age

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

### **3.3 Other Directorships/ Committee Memberships**

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

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

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

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

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

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

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

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

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

**1. Scope:**

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

**2. Terms and Reference:**

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

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

2.2 **"key managerial personnel"** means

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

(ii) The Company Secretary;

(iii) The Whole-time Director;

(iv) The Chief Financial Officer; and

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

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

**3. Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

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

- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retrial benefits
  - (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### **3.2 Remuneration to Non – Executive Directors**

- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### **3.3. Remuneration to other employees**

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

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

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

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

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

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

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

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

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

#### **E. REMUNERATION TO DIRECTORS**

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

(in lakhs)

<b>Name of the Director</b>	<b>Remuneration</b>	<b>Sitting fees</b>	<b>Number of shares held</b>
S. Murali Krishna Murthy	5.70	--	143475
G. Venkata Ramana	27.00	--	818409
S. Mohan Krishna Murthy	3.00	--	35816
S. Balaji Venkateswarlu	5.40	--	157827
S. Srinivas Kumar	5.40	--	246723
B. Satyanarayana Raju	21.00	--	496130
J. R. K. Panduranga Rao	--	0.05	--
K. PradyumnaTeja (Resigned on 04.03.2020)	--	0.04	--
T Seshagiri (expired on 30.07.2020)	--	0.03	--
B. Gopal Reddy	--	0.04	--
T. Uma Sangeetha	--	0.05	--

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

During the year April 2019 to March 2020, one (1) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.

Name	Designation	Category	Number of meetings during the year 2019-20	
			Held	Attended
Mr. J.R.K. Pandu Ranga Rao	Chairperson	Independent, Non-Executive	4	4
***Mr.K. Pradyumna Teja	Member	Independent, Non-Executive	4	4
*Mr. T. Seshagiri	Member	Independent, Non-Executive	-	-
Dr. B. Gopal Reddy	Member	Independent, Non-Executive	4	4
**Ms. T. Uma Sangeeta	Member	Independent, Non-Executive	-	-

\*\*\* resigned as member 04.03.2020

\* appointed as a member on 04.03.2020 and expired on 30.07.2020

\*\* appointed as member on 30.07.2020

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

Mr. Nitesh Kumar Sharma, Company Secretary of the Company is the compliance officer of the Company. He was appointed on 24.07.2020

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2019-20**

<b>INVESTOR COMPLAINTS</b>	
<b>Particulars</b>	<b>Year ended 31.03.2020</b>
Pending at the beginning of the year	Nil
Received during the year	-
Disposed of during the year	-
Remaining unresolved at the end of the year	Nil

**5. RISK MANAGEMENT COMMITTEE: - (Committee constituted in terms of Reg. 21 of SEBI (LODR) Regulations, 2015)**
**A. ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:**

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

**B. COMPOSITION**

The composition of the Risk Management Committee as under:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Dr. B. Gopal Reddy	Chairperson	Independent, Non-Executive
*Mr. K. PradyumnaTeja	Member	Independent, Non-Executive
**T. Uma Sangeeta	Member	Independent, Non-Executive
Mr. S. Mohan Krishna Murthy	Member	Executive Director

\*resigned on 04.03.2020

\*\*appointed on 04.03.2020

No meeting held during the year 2019-20.



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

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution Passed</b>
2016-2017	29.09.2017	11.00 A.M.	D.No.1-2-593/29, Ground Floor, Street No. 4, Gagan Mahal Colony, Domalguda, Hyderabad- 500029, Telangana	Yes
2017-2018	29.09.2018	11.30 A.M	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad- 500027, Telangana	Yes
2018-2019	30.09.2019	11.30 A.M.	D.No:3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana	Yes

During the Year, Hon'ble NCLT vide its order dated 06.01.2020 has ordered to convene a Meeting of Equity Shareholders and Sundry Creditors on 26.02.2020 at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad - 500035, Telangana at 10:30 a.m. and 11:00 a.m. for the approval of Proposed Scheme of Arrangement between Ortin laboratories Limited and Vineet Laboratories Limited and Reclassification of Persons forming part of the Promoter Group from 'Promoter & Promoter Group Category' To 'Public Category'.

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

## DISCLOSURES

### A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

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

### B. COMPLIANCES

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 below

BSE has freezed the shareholding of promoters for non- compliance with provisions of Corporate Governance for Quarter ended 31.12.2018. However, The Company has submitted its reply that it has complied with the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015 and the decision of the BSE on the same is awaited. NSE has already withdrawn the penalty on same matter.

### C. WHISTLE BLOWER POLICY

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

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

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

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

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

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

#### **V. WEB LINKS**

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

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

#### **VI. NON COMPLAINT OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT**

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

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

#### **I. 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.

**J. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2019-20**

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, 2020 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

**K. CEO/CFO Certification**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2019-20 is provided elsewhere in this Annual Report.

**L. RECONCILIATION OF SHARE CAPITAL**

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

**M. 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.

**8. MEANS OF COMMUNICATION**

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty five days/sixty days of the close of the respective period.
- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, English Newspaper and Regional Language Newspaper within forty-eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.

- iv. These financial statements, press releases, if any 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	29th December, 2020	
● Time	11.30 A.M	
● Venue of AGM	Video Conference	
● Financial Calendar	1st April to 31st March.	
● Tentative Schedule for considering Financial Results:		
For the Quarter ending June, 2020	July/August,2020	
For the Quarter ending September, 2020	October/ November,2020	
For the Quarter ending December, 2020	January/ February,2021	
For the Quarter/year ending March, 2021	April/ May,2021	
● Date of Book Closure	23.12.2020 to 29.12.2020	
● Dividend Payment date	–	
● Listing on Stock Exchanges	BSE Limited	NSE Limited
Scrip Code	539287	ORTIN LABSS
● ISIN Number for NSDL & CDSL	INE749B01012	
● Payment of annual listing fees to stock exchanges	Paid to BSE & NSE, where the shares of the Company are listed	
● Address for correspondence:	To be addressed to: M/s KFin Technologies Pvt. Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153.	
● Investor Correspondence / Query on Annual Report, etc.	Mr. Nitesh Kumar Sharma Company Secretary	

	Ortin Laboratories Limited D.No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad-500027, Telangana
<ul style="list-style-type: none"> <li>• Registrars &amp; Transfer Agents</li> </ul>	M/s KFin Technologies Pvt. Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Tel: 040-67161500 Fax 040-23001153
<ul style="list-style-type: none"> <li>• Total fees for all services paid by the listed entity to the statutory auditor.</li> </ul>	Rs. 2,00,000/-
<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. Share Transfer System

The Company's Shares are traded on BSE Limited and NSE Limited compulsorily in the dematerialized form. Transfer of these shares is done through depositories with no involvement of the Company. However, all requests received for transfer of shares for off market transaction in physical form are processed by the Registrars and Transfer Agents. The Share Transfers are registered and returned within a period of 15 days from the date of lodgement, if documents are complete in all respects.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. Kfin Technologies Private Limited, Hyderabad, who is registrar to the Company. The share transfer requests are processed by them and a transfer register is sent to the Company for approval once in a fortnight. There were no share transfers pending as on 31st March 2020.

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

We have no GDRs/ADRs or any commercial instrument.

**C. STOCK MARKET PRICE DATA**

MONTH	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2019	15.90	13.01	-	-
May 2019	15.00	9.50	-	-
June 2019	17.40	12.36	13.95	12.6
July 2019	13.96	10.05	13.8	10.45
August 2019	11.09	8.46	10.7	8.45
September 2019	12.15	8.20	11.9	8.1
October 2019	11.50	9.05	-	-
November 2019	10.95	8.50	-	-
December 2019	12.50	8.16	-	-
January 2020	10.24	9.31	-	-
February 2020	9.90	7.70	-	-
March 2020	9.25	6.80	-	-

**D. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020**

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	59,01,366	34.84	--	--
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :- --	--	--	--	--
e.	Mutual Funds --	--	--	--	--
f.	Trusts -- --	--	--	--	--
	Sub Total (A)(1)	59,01,366	34.84	--	--
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions --	--	--	--	--
	Others :- --	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)	--	--	--	--
	Total Shareholding of Promoter and Promoter Group	59,01,366	34.84	--	--
	(A)=(A)(1)+(A)(2)	59,01,366	34.84	--	--
(B)	Public Shareholding				
(1)	Institutions	--	--	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	150	0.00	--	--
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	--	--	--	--
	<b>Sub Total (B)(1)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
(2)	<b>Non-Institutions</b>			--	--
a.	Bodies Corporate	2,49,615	1.47	--	--
b.	Individuals		--	--	--
	i) Individual shareholders holding nominal share capital upto Rs.2 lakh	55,93,896	33.02	--	--
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	49,46,925	29.20	--	--
c.	Any Others : -			--	--
	i) Non Resident Individuals	2,19,642	1.30	--	--
	ii) Overseas Corporate Bodies	--	--	--	--
	iii) Trusts	--	--	--	--
	iv) Employees	--	--	--	--
	v) Clearing Members	28,806	0.17	--	--
	vi) Foreign Nationals	--	--	--	--
	vii) NBFCs registered with RBI	-	-	--	--
	<b>Sub Total (B)(2)</b>	<b>1,10,39,034</b>	<b>65.16</b>	<b>--</b>	<b>--</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,10,39,034</b>	<b>65.16</b>	<b>--</b>	<b>--</b>
	<b>Total (A)+(B)</b>	<b>1,69,40,400</b>	<b>100</b>	<b>--</b>	<b>--</b>
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	<b>Grand Total (A)+(B)+©</b>	<b>1,69,40,400</b>	<b>100</b>	<b>--</b>	<b>--</b>

**E. Distribution of Shareholding as on 31.03.2020**

No. of equity Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	4349	65.33	826781	4.88
5001 to 10000	1057	15.88	937476	5.53
10001 to 20000	541	8.13	876569	5.17
20001 to 30000	221	3.32	578869	3.42
30001 to 40000	101	1.52	374624	2.21
40001 to 50000	99	1.49	477818	2.82
50001 to 100000	139	2.09	1019914	6.02
100001 and above	150	2.25	11848349	69.94
<b>Grand Total</b>	<b>6657</b>	<b>100</b>	<b>169404</b>	<b>100</b>

**F. DEMATERIALISATION & LIQUIDITY OF SHARES**

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

Particulars	No. of Shares	% Share Capital
NSDL	1,17,58,402	62.79
CDSL	50,10,724	26.76
Physical	1,71,274	0.91
<b>Total</b>	<b>1,69,40,400</b>	<b>100.00</b>

## GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, by email Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

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

Place: Hyderabad

Date: 30.07.2020

**S. Murali Krishna Murthy**

Managing Director

DIN: 00540632

**G. Venkata Ramana**

Joint Managing Director

(DIN: 00031873)

**PRACTICING COMPANY SECRETARY'S  
CERTIFICATE ON DIRECTORS**

To the Members of **Ortin Laboratories Limited**

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

Place: Hyderabad  
Date: 29.07.2020

**For Vivek Surana & Associates**

**Vivek Suarana**  
Proprietor  
M. No. A24531, C.P. No: 12901  
UDIN:A024531B000523689

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

To  
The Board of Directors  
Ortin Laboratories Limited

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

Place: Hyderabad  
Date: 30.07.2020

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

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

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Ortin Laboratories Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Ortin Laboratories Limited ("the company") for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited and National Stock Exchange of India Limited.

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

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

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

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

**For Vivek Surana & Associates**

Place: Hyderabad  
Date: 29.07.2020

**Vivek Suarana**  
Proprietor  
M. No. A24531, C.P. No: 12901  
UDIN:A024531B000523689

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

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

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

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

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

### 1.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Global pharmaceutical market is expected to grow in the coming years despite recent slowdown in key markets across the globe. The primary reasons include aging, growing population, rising income levels, emerging medical conditions and emergence of new diseases. The global pharmaceutical industry is expected to touch USD 1.57 trillion by 2023. The growth in this market is predicted on the basis of various factors like market drivers, current & upcoming trends, current growth pattern and market challenges.

North America is expected to retain its leading position in the global pharmaceuticals market with market share of 45.33% in 2023. Europe on the contrary is expected to see a decline in its market share and be worth 20.24% of global pharma industry by 2023. Asia Pacific pharmaceuticals market is expected to retain its second position with a market share of 24.07% in 2023. Latin America and Middle East and Africa (MEA) are expected to retain 7.53% and 2.96% market share of global pharmaceuticals market in 2023.

#### DOMESTIC

The Indian pharma industry is now at the cusp of developing new molecules for treatment of various medical conditions. Many Indian firms already have molecules in clinical trials. Developing new drugs costs huge resources and the government needs to provide the conditions for sufficient profits for investment in new molecules while holding the firms accountable for producing new drugs for India and the world. Currently Indian pharmaceuticals companies occupy almost 85% of domestic pharmaceuticals markets against 5% share held five decades ago. Over this period Indian firms have been successful both in terms of both meeting the domestic needs as well as building a leading position in the global pharmaceuticals landscape. India already contributes over 20% by value to the global generics market, with Indian products contributing over 40% of US drugs by volume.

#### OPPORTUNITIES AND THREATS

The worldwide population is likely to cross 9.3 billion by 2050 and around 21% of this population is expected to be aged 60 and above. Apart from ageing and rising population the improvements in purchasing power and access to quality healthcare and pharmaceuticals to poor and middle-class families worldwide also is driving the growth of global pharma industry

Indian medicine prices are already amongst the lowest in the world. In addition, research evidence based on data from 2011-2018 for 108 molecules suggests that price control has not increased access and affordability. There is, thus, a need to fine-tune the drug pricing policy to generate enough surpluses to invent new molecules while keeping the price levels reasonable with the objective of providing affordable healthcare.



## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

During the year under review, the Company has recorded revenue of Rs.197.70Lakhs and made a profit of Rs. 71.85 Lakhs against revenue of Rs.167.70Lakhs and net profit of Rs. 183.80 Lakhs in the previous financial year 2018-19.

## 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

The adoption of cost control policies along with tightening of rules by governments in key markets are expected to impact the growth prospect of the global pharmaceuticals industry. The pharmaceuticals companies are forced to reduce their research and development (R&D) spending due to slowdown of growth in last few years which is also expected to hamper growth of the global pharma market as new drugs revenue form large part of pharma firm's revenue due to exclusivity of the drug. Apart from these generics pharma market is facing decreasing return on investment due to price erosion in key markets which is forcing many firms to look for other avenues and markets to sustain growth.

For the increase the domestic production of diagnostics devices, the government needs to launch targeted financial incentives to promote the manufacturing of diagnostic kits and other medical devices – especially given that the raw material for manufacturing of these devices is heavily dependent on imports. This is also an opportunity to bring a much larger proportion of manufacturing of APIs back into India, so that the country is not dependent on imports of critical inputs.

The real focus of attention for the pharmaceutical industry is on how to respond to that sudden demand changes as well as to changes in the production and distribution network of various pharmaceutical products. Out-of-stock products are a serious issue for consumers, but the bigger question is how pharmaceutical manufacturers will be able to maintain their sales chain in the face

of more long-lasting changes than those brought about by a sudden spike in demand due to COVID-19.

As a consequence of COVID-19, the pharmaceutical industry has been simultaneously experiencing an acceleration in growth and a supply bottleneck. While the demand for and development of medicines has not slowed, the crisis is limiting the access to ingredients that usually come from China and India. This is causing a gap that could alter the distribution chain and manufacturing model in a radical way. Pharma brands based in Europe and the United States will need to begin to consider establishing their own factories and plants closer to home in order to ensure access to raw materials in the event of another crisis situation. Already, the prices of certain drugs have shot up and the possibility of an impact on volumes, as well as margins, remains high.

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**

As discussed above.

**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.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

<b>S.No</b>	<b>Key Ratios</b>	<b>F.Y.19-20</b>
i)	Debtors Turnover	5.26
ii)	Inventory Turnover	3.56
iii)	Interest Coverage Ratio	1.83
iv)	Current Ratio	1.10
v)	Debt Equity Ratio	0.21
vi)	Operating Profit Margin (%)	1.99%
vii)	Net Profit Margin (%)	-0.29%

(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

There is a change in Return on Net Worth as compared to the immediately previous Financial Year.

**2. DISCLOSURE OF ACCOUNTING TREATMENT**

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

**CAUTIONARY STATEMENTS**

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

**Independent Auditor's Report on Audited Financial Results  
for the year ended 31st March, 2020**

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

**Opinion**

We have audited the accompanying standalone quarterly financial results of Ortin Laboratories Limited (the company) for the quarter and the year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended March 31, 2020.

**Basis for Opinion**

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

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

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

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this statements that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other

accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the Directors of the company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures and whether the statement 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.

For **Sathuluri & Co.**  
Chartered Accountants  
FRN no : 006383S

Sd/-

**(S.S. Prakash)**  
Proprietor  
Membership No. 202710  
UDIN: 20202710AAAAAL5008

Place : Hyderabad  
Date : 30.07.2020

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of  
ORTIN LABORATORIES LIMITED for the year ended 31st March, 2020.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.  
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.  
(a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.  
(b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.  
(c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- 7 (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Hyderabad  
Date : 30-07-2020



## **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 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Hyderabad  
Date : 30-07-2020

**Balance Sheet as at Year Ended 31.03.2020**
**(Rs.in Lakhs)**

Particulars	Note No.	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and Equipment	2.1	2,245.17	2,128.65
Capital Work Inprogress		42.96	53.40
Financial assets			
Investments	2.2	6.96	8.40
Other financial assets	2.3	87.44	79.69
Other non current assets	2.4	28.04	34.46
		<b>2,410.57</b>	<b>2,304.60</b>
<b>Current assets</b>			
Inventories	2.5	4,990.06	3,695.70
Financial assets			
Trade receivables	2.6	3,715.29	3,783.04
Cash and cash equivalent	2.7	95.24	89.08
Other Bank Balances	2.8	154.58	125.22
Other financial assets	2.3	34.95	33.23
Other current assets	2.4	251.09	477.75
		<b>9,241.20</b>	<b>8,204.02</b>
<b>TOTAL</b>		<b>11,651.78</b>	<b>10,508.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2.9	1,694.04	1,694.04
Other Equity	2.10	687.55	815.35
		<b>2,381.59</b>	<b>2,509.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	2.11	490.46	473.79
Deferred tax liabilities (net)	2.12	253.63	254.97
Other non-current liabilities	2.13	-	-
Long Term Provisions	2.14	143.40	52.91
		<b>887.48</b>	<b>781.66</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	2.11	1,466.69	1,473.59
Trade payables	2.15	6,000.15	4,759.65
Other financial liabilities	2.16	599.74	599.66
Liabilities for current tax (net)			
Provisions	2.17	80.01	74.13
Other current liabilities	2.13	236.12	310.54
		<b>8,382.71</b>	<b>7,217.56</b>
<b>TOTAL</b>		<b>11,651.78</b>	<b>10,508.62</b>

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

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

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

Sd/-  
S.S.Prasadh  
Proprietor  
M.No. 202710  
F.R.No. 006383S  
Place: Hyderabad  
Date : 30.07.2020

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

Sd/-  
**G. VENKATA RAMANA**  
Joint Managing Director (DIN : 00031873)  
Sd/-  
**Nitesh Kumar Sharma**  
Company Secretary

**Statement of Profit & Loss for Year Ended 31.03.2020**
**(Rs.in Lakhs)**

Particulars	Note No.	2020	2019
<b>Income</b>			
Revenue from operations	2.18	19,739.10	16,776.19
Other income	2.19	17.37	12.79
<b>Total Revenue</b>		<b>19,756.47</b>	<b>16,788.98</b>
<b>Expenses</b>			
Cost of materials consumed	2.2	16,514.98	14,154.48
Changes in inventories	2.21	-1,052.79	-672.96
Employee benefits expense	2.22	535.69	425.47
Finance costs	2.23	320.84	321.73
Depreciation and amortization expense	2.1	195.50	175.29
Other expenses	2.24	3,170.40	2,201.18
<b>Total Expenses</b>		<b>19,684.62</b>	<b>16,605.18</b>
Profit/(Loss) before exceptional items		71.85	183.80
Exceptional items		-	-
Profit/(Loss) before tax		71.85	183.80
Tax expense			
Current tax		22.25	50.15
Deferred tax		22.68	2.04
Previous year		83.32	3.60
<b>Net Profit for the Period</b>		<b>-56.39</b>	<b>128.00</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss		-95.42	-26.42
Tax on items that will not be reclassified to profit or loss		24.02	-
		<b>-71.41</b>	<b>-26.42</b>
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>-71.41</b>	<b>-26.42</b>
<b>Total comprehensive income for the year</b>		<b>-127.80</b>	<b>102</b>
Earnings per share:			
Basic earnings per share of 10/-each		-0.33	0.76
Diluted earnings per share of 10/- each		-0.33	0.76

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

As per our report of even date

**For Sathuluri & Co.,**  
Chartered Accountants

Sd/-  
S.S.Prasadh  
Proprietor  
M.No. 202710  
F.R.No. 006383S  
Place: Hyderabad  
Date : 30.07.2020

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

Sd/-  
**S. MURALI KRISHNA MURTHY**  
Managing Director (DIN: 00540632)

Sd/-  
**Bh. SATYA NARAYANA RAJU**  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
**G. VENKATA RAMANA**  
Joint Managing Director (DIN : 00031873)

Sd/-  
**Nitesh Kumar Sharma**  
Company Secretary

**Cash Flow Statement for the Year Ended 31st March, 2020**
**(Rs.in Lakhs)**

Particulars	2020	2019
Cash Flows from Operating Activities		
Net profit before tax	71.85	183.80
Adjustments for :		
Depreciation and amortization expense	195.50	175.29
Finance cost	320.84	321.73
Investment at fair value	1.44	-0.55
Provision for gratuity	21.79	7.80
Provision for leave encashment	1.28	16.67
<b>Operating profit before working capital changes</b>	<b>612.70</b>	<b>704.73</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	67.75	-1,598.14
(Increase)/Decrease in Other financial assets	-34.95	-1.42
(Increase)/Decrease in Inventories	-1,294.36	-1,293.77
(Increase)/Decrease in Other Current Assets	226.67	-30.10
(Increase)/Decrease in Other Non Current Assets	6.41	-22.54
Increase/(Decrease) in Trade Payables	1,240.50	3,101.41
Increase/(Decrease) in Other financial liabilities	0.08	-74.67
Increase/(Decrease) in Other Current liabilities	-74.42	-90.96
Increase/(Decrease) in Provisions	-44.38	-
<b>Changes in Working Capital</b>	<b>93.30</b>	<b>-10.19</b>
<b>Cash generated from operations</b>	<b>706.01</b>	<b>694.54</b>
Interest received on Deposits		
Direct Taxes Paid	-83.32	-42.36
<b>Net Cash from operating activities (A)</b>	<b>622.69</b>	<b>652.18</b>
Cash flows from Investing Activities		
Purchase of Fixed Assets	-312.02	-300.53
Sale of Fixed Assets	-	-
Changes in Capital Work in Progress	10.45	-13.20
Changes in Other Non Current Financial assets	-7.75	-12.22
Purchase/Sale of Investment	-	-0.55
<b>Net Cash used in Investing Activities</b>	<b>-309.32</b>	<b>-326.50</b>
Cash flows from/(used in) Financing Activities		
Finance cost	-320.84	-321.73
Proceeds from Long term borrowings	16.67	32.92
Repayment/(Proceeds) off/from Short-term borrowings	-121.35	-
<b>Net Cash used in Financing Activities</b>	<b>-425.52</b>	<b>-288.81</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>-112.16</b>	<b>36.88</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>-1,259.84</b>	<b>-1,296.72</b>
<b>Cash and Cash equivalents at the ending of the year (Refer Note 2.7)</b>	<b>-1,372.00</b>	<b>-1,259.84</b>

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

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

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

As per our report of even date

**For Sathuluri & Co.,**  
Chartered Accountants

Sd/-  
S.S.Prakash  
Proprietor  
M.No. 202710  
F.R.No. 006383S  
Place: Hyderabad  
Date : 30.07.2020

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

Sd/-  
**S. MURALI KRISHNA MURTHY**  
Managing Director (DIN: 00540632)

Sd/-  
**Bh. SATYA NARAYANA RAJU**  
Whole-time Director cum CFO (DIN: 02697880)

Sd/-  
**G. VENKATA RAMANA**  
Joint Managing Director (DIN : 00031873)

Sd/-  
**Nitesh Kumar Sharma**  
Company Secretary

**Statement of changes in equity**  
Statement of changes in equity for the period ended 31.03.2020

Particulars	Equity Share Capital	Retained Earnings	Share Forfeiture Reserve	Capital Reserve	Total Equity
Balance as at 1/4/2019	1,694.04	756.02	64.53	21.23	2,509.39
Profit for the year	-	-127.80	-	-	-127.80
Additions during the year	-	-	-	-	-
Dividend paid	-	-	-	-	-
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-
<b>Balance as at 31/03/2020</b>	<b>1,694.04</b>	<b>628.22</b>	<b>64.53</b>	<b>21.23</b>	<b>2,381.59</b>

Particulars	Equity Share Capital	Retained Earnings Reserve	Share Forfeiture Reserve	Capital Reserve	Total Equity
Balance as at 1/4/2018	1,694.04	628.02	64.53	21.23	2,407.81
Profit for the year	-	128.00	-	-	128.00
Additions during the year	-	-	-	-	-
Dividend paid	-	-	-	-	-
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-26.42
<b>Balance as at 31/03/2019</b>	<b>1,694.04</b>	<b>756.02</b>	<b>64.53</b>	<b>21.23</b>	<b>2,509.39</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 recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effect from April 1, 2020, this amendment will have no impact on the financial statements.

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

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over

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

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

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

***Basis of Measurement***

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

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

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

**C. Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any



future periods affected. In particular, the areas involving critical estimates or Judgments are:

**i) Depreciation and amortization**

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

**ii) Employee Benefits**

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

**iii) Provision and contingencies**

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

**iv) Fair valuation**

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

**D. Functional and presentation currency**

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

**E. Current and noncurrent classification**

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

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

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

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

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

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

## **F. Foreign Currency Transaction**

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

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

### **Significant Accounting Policies**

#### **1) Property Plant & Equipment**

##### ***Recognition and measurement***

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

##### ***Directly attributable costs include:***

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.

d. Professional Fees and

- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably

measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### **Depreciation**

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

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

The estimated useful lives are as follows:

<b>Type of Asset</b>	<b>Estimated useful life in years</b>
<b>Buildings</b>	
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) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

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

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

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

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

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

### i. Depreciation and amortisation

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

**ii. Employee Benefits**

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

**iii. Inventories**

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

**iv. Trade Receivables**

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

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



**2.1: Property, plant and equipment**

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value	
	As at 1 April 2019	Additions	Disposals	As at 31 March 2020	For the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land.	53.57	-	-	53.57	-	-	-	53.57	53.57
Factory building.	501.47	50.64	-	552.11	23.78	-	89.11	463.00	436.14
Administrative building.	-	-	-	-	-	-	-	-	-
Plant & machinery	1,819.54	184.89	-	2,004.43	133.51	-	482.07	1,522.36	1,470.99
Testing equipment.	57.37	-	-	57.37	12.81	-	17.16	40.21	44.56
Furniture & fixtures.	24.56	6.45	-	31.01	4.89	-	8.05	22.96	19.68
Electrical fittings	42.55	-	-	42.55	27.37	-	30.31	12.24	15.18
Vehicles.	97.14	65.27	-	162.41	32.05	-	54.93	107.48	65.09
Other assets.	20.79	-	-	20.79	4.98	-	6.78	14.01	15.81
Computer.	5.53	4.49	-	10.03	3.92	-	5.83	4.19	1.61
Air conditioner.	9.40	0.28	-	9.68	3.37	-	4.53	5.15	6.03
<b>Total</b>	<b>2,631.92</b>	<b>312.02</b>	<b>-</b>	<b>2,943.94</b>	<b>503.27</b>	<b>195.50</b>	<b>698.77</b>	<b>2,245.17</b>	<b>2,128.65</b>
<b>Capital work in progress</b>	<b>53.41</b>	<b>42.96</b>	<b>53.41</b>	<b>42.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.96</b>	<b>-</b>

  

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value	
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	For the year	Disposals	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Land	53.57	-	-	53.57	-	-	-	53.57	53.57
Factory building.	495.99	5.48	-	501.47	43.13	-	65.33	436.14	452.86
Administrative building	-	-	-	-	22.20	-	-	-	-
Plant & machinery	1,580.17	239.37	-	1,819.54	122.76	-	348.56	1,470.99	1,354.38
Testing equipment.	56.19	1.18	-	57.37	8.49	-	12.81	44.56	47.70
Furniture & fixtures.	4.97	19.60	-	24.57	2.47	-	4.89	19.68	2.49
Electrical fittings	28.65	13.90	-	42.55	5.58	-	27.37	15.18	6.87
Vehicles.	81.55	15.59	-	97.14	18.36	-	32.05	65.09	63.19
Other assets.	17.35	3.44	-	20.79	3.19	-	4.98	15.81	14.16
Computer.	3.97	1.56	-	5.53	2.53	-	3.92	1.61	1.44
Air conditioner.	8.98	0.41	-	9.39	2.23	-	3.37	6.03	6.75
<b>Total</b>	<b>2,331.39</b>	<b>300.53</b>	<b>-</b>	<b>2,631.92</b>	<b>327.99</b>	<b>175.29</b>	<b>503.27</b>	<b>2,128.65</b>	<b>2,003.40</b>
<b>Capital work in progress</b>	<b>40.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.41</b>	<b>40.21</b>

**2.2 Investments**

(Rs.in Lakhs)

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Investments at fair value through Profit or Loss A/c	-	-	-	-
In Equity Shares	-	0.00	-	0.00
In Mutual Funds	-	6.96	-	8.40
Aggregate amount of Quoted Investments	-	6.96	-	8.40
<b>Total Investments</b>	-	<b>6.96</b>	-	<b>8.40</b>

**2.3 Other Financial Assets**

(Rs.in Lakhs)

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Deposits with IL and FS	-	-	-	-
NSC Bond	-	-	-	-
Security Deposit with APCPDCL	-	-	-	-
Security Deposit with Singareni Colories	-	-	-	-
Deposits with Others	-	87.44	-	79.69
Deposit for rentals	-	-	-	-
Deposit with CPD	-	-	-	-
Deposits with Others	23.85	-	28.72	-
Interest Receivable	11.10	-	4.50	-
<b>TOTAL</b>	<b>34.95</b>	<b>87.44</b>	<b>33.23</b>	<b>79.69</b>

**2.4 Other Non Current Assets and Current Assets**

(Rs.in Lakhs)

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Deposits with Statutory authorities	-	-	-	-
Prepaid Expenses	-	-	-	-
Income Tax refund FY 2012-13	-	-	-	-
Income Tax refund FY 2017-18	0.37	-	6.30	-
Mumbai Sales tax deposit	-	-	39.99	-
GST input credit	-0.25	-	0.15	-
ST input credit	-	-	86.99	-
Loans and advances staff	-	-	-	-
Maharashtra Vat tax paid	-	-	-	-
Advance for packing material	-	-	-	-
Creditors for goods	5.69	-	114.37	-
Excise Duty Claim Receivable on Export	-	-	-	1.76
TDS Receivable from parties	-	-	-	-
Excise duty appeal fee	-	-	-	-
Cenvat credit deferred	-	-	-	-
Cenvat credit	-	-	-	0.00
Vat Input credit receivable	-	-	-	-
Excise paid under protest	-	-	-	-
Deferred GST	-	-	-	-
Deferred Excise Duty	-	-	-	-
Advance Tax	-	-	25.00	-
TDS receivable	4.33	8.69	5.84	13.34
Advance others	240.94	19.36	199.11	19.36
<b>TOTAL</b>	<b>251.09</b>	<b>28.04</b>	<b>477.75</b>	<b>34.46</b>

**2.5 Inventories**

(Rs.in Lakhs)

Particulars	2020 Current	2019 Current
Raw materials	2,992.68	2,751.11
Finished goods	1,997.38	944.59
Packing materials	-	-
<b>TOTAL</b>	<b>4,990.06</b>	<b>3,695.70</b>

**2.6 Trade receivables**

(Rs.in Lakhs)

Particulars	2020 Current	2019 Current
Trade Receivables		
Unsecured, considered good	3,715.29	3,783.04
Less: Allowances for credit losses	-	-
<b>TOTAL</b>	<b>3,715.29</b>	<b>3,783.04</b>

Trade Receivables hypothecated as security for availing working capital facilities

**2.7 Cash and Cash Equivalents**

(Rs.in Lakhs)

Particulars	2020	2019
a) Cash and Cash equivalents		
i) Cash on hand	50.47	50.39
ii) Balances with banks		
- Current Accounts	45.77	38.69
- Fixed Deposits	-	-
<b>Total</b>	<b>95.24</b>	<b>89.08</b>

**2.8 Other Bank Balances**

(Rs.in Lakhs)

Particulars	2020	2019
Other Bank Balances (with restricted use)		
Margin Money Deposit Accounts (against Bank Guarantees)	154.58	125.22
<b>Total</b>	<b>154.58</b>	<b>125.22</b>

**Cash and Cash Equivalents include the following for Cash flow purpose**

(Rs.in Lakhs)

Particulars	2020	2019
Cash and Cash Equivalents/ Bank Balances	154.58	214.30
Less: Bank OD & CC to be classified as Cash & Cash Equivalents	1,466.69	-1,473.59
Cash and Cash Equivalents/ Bank Balances	1,621.27	-1,259.29

**2.9 Share Capital**

(Rs.in Lakhs)

Particulars	2020	2019
<b>Authorized Share Capital</b>		
10,000,000 Equity Shares of Rs.10 each (Previous year :80,00,000 Equity Shares of Rs.10 each)	2,000.00	2,000.00
<b>Issued Subscribed and Paid up Share Capital</b>		
1,69,40,400 equity shares of Rs.10/- each fully paid-up (Previous year: 1,69,40,400 Equity Shares of Rs.10 each, fully paid up)	1,694.04	1,694.04
	<b>1,694.04</b>	<b>1,694.04</b>

**2.9.1 Reconciliation of Number of Shares**

(Rs.in Lakhs)

Particulars	2020	2019
Number of Shares at the beginning of the year	169.40	169.40
Add : Shares issued during the year	-	-
Number of Shares at the end of the year	169.40	169.40

**2.9.2 Rights attached to equity shares**

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.10 Other Equity**

(Rs.in Lakhs)

Particulars	2020	2019
<b>Share Forfeiture reserve</b>		
Opening Balance	65.53	65.53
Add: Shares issued during the year	-	-
	65.53	65.53
<b>Capital Reserve</b>		
Opening Balance	21.23	21.23
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	756.02	628.01
Add: Net profit transferred from the Statement of Profit and Loss	-127.80	128.00
	628.22	756.02
<b>Less: Appropriations</b>		
ECL on Trade Receivables	-	-
Net change in fair value of FVTPL investments and others	-	-
Actuarial gain or loss on employee defined benefit plan	-26.42	-26.42
Closing Balance	687.55	815.35
<b>Total</b>	<b>687.55</b>	<b>815.35</b>

**2.11 Borrowings**

(Rs.in Lakhs)

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Term Loan from banks	-	194.07	-	133.83
Vehicle Loans	-	65.68	-	36.19
Int Free sales tax deposit	-	11.16	-	11.16
Unsecured Borrowings	-	219.55	-	292.60
Cash Credit	1,466.69	-	1,473.59	-
<b>Total</b>	<b>1,466.69</b>	<b>490.46</b>	<b>1,473.59</b>	<b>473.79</b>

**2.12 Deferred Tax Liabilities**

(Rs.in Lakhs)

Particulars	2020	2019
Opening Balance	254.97	252.92
Add : On account of difference in Net Block	-1.34	2.04
<b>Closing Balance</b>	<b>253.63</b>	<b>254.97</b>

**2.13 Other Non Current Liabilities & Current liabilities**

(Rs.in Lakhs)

Particulars	2020		2019	
	Current	Non Current	Current	Non Current
Loan from Directors	45.88	-	47.25	-
Loan from Others	150.49	-	220.84	-
Advance from customers	39.75	-	42.45	-
Security Deposit	-	-	-	-
<b>Total</b>	<b>236.12</b>	<b>-</b>	<b>310.54</b>	<b>-</b>

**2.14 Long Term Provisions**

(Rs.in Lakhs)

Particulars	2020	2019
Provision for Gratuity and Employee Benefits		
Provision for Employee Benefits (Gratuity)	117.26	41.86
Provision for Employee Benefits (Leave encashment)	26.14	11.05
<b>Closing Balance</b>	<b>143.40</b>	<b>52.91</b>

**2.15 Trade Payables**

(Rs.in Lakhs)

Particulars	2020	2019
Due to Micro & Small Enterprises	-	-
Dues to others	6,000.15	4,759.65
<b>Total</b>	<b>6,000.15</b>	<b>4,759.65</b>

**2.16 Other financial liabilities**

(Rs.in Lakhs)

Particulars	2020	2019
	Current	Current
Current Maturities of LTD	-	120.19
Bills Payable	599.74	599.66
Staff Creditors	-	-
Liability for Expenses	-	-
<b>Total</b>	<b>599.74</b>	<b>599.66</b>

**2.17 Provisions**

(Rs.in Lakhs)

Particulars	2020	2019
Provision for tax	28.02	50.15
Provision for Gratuity	40.12	18.35
Provision for Leave encashment	11.87	5.62
<b>Total</b>	<b>80.01</b>	<b>74.13</b>

**2.18 Revenue from operations**

(Rs.in Lakhs)

Particulars	2020	2019
<b>Revenue from :</b>		
Operating Activities	19,616.06	16,326.23
Add: Excise Duty	-	-
Add: Other Operating Income	123.04	449.96
<b>Revenue from operations</b>	<b>19,739.10</b>	<b>16,776.19</b>

**2.19 Other income**

(Rs.in Lakhs)

Particulars	2020	2019
Interest Received	15.19	7.53
Profit on Foreign Exchange Fluctuation	-1.14	-0.00
Discount on Purchase	0.19	-
Rental charges- vodafone tower	-	-
Service Charges Income	-	-
Subsidy on Electrical Charges	-	-
Commission on Sales	-	-
Miscellaneous Income	4.57	4.71
Profit on Sale of Asset	-	-
Insurance Claim Received	-	-
Net gain on Fair value measurement of investments	-1.44	0.55
<b>Total</b>	<b>17.37</b>	<b>12.79</b>

**2.20 Cost of materials consumed**

(Rs.in Lakhs)

Particulars	2020	2019
Raw Material		
Purchases	16,756.55	14,799.56
Add: Opening Stock	2,751.11	2,106.03
	19,507.66	16,905.59
Less: Closing Stock	2,992.68	2,751.11
	16,514.98	14,154.48
<b>Total</b>	<b>16,514.98</b>	<b>14,154.48</b>

**2.21 Changes in inventories**

(Rs.in Lakhs)

Particulars	2020	2019
Finished goods		
Opening	944.59	271.63
Closing	1,997.38	944.59
	-1,052.79	-672.96
	<b>-1,052.79</b>	<b>-672.96</b>

**2.22 Employee benefits expense**

(Rs.in Lakhs)

Particulars	2020	2019
Salaries & Wages	379.14	293.94
Director Remuneration	63.93	57.85
Contribution to provident and other funds	24.87	20.21
Staff Welfare, Recruitment Expenses	44.68	28.31
Other Allowances	-	-
Leave encashment	1.28	16.67
Exgratia & Gratuity	21.79	8.49
	<b>535.69</b>	<b>425.47</b>

**2.23 Finance costs**

(Rs.in Lakhs)

Particulars	2020	2019
Interest Expense	246.64	274.75
Other borrowing costs	74.20	46.98
	<b>320.84</b>	<b>321.73</b>



**2.24 Other expenses**

(Rs.in Lakhs)

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
Rates and taxes	35.66	16.35
Insurance	16.95	21.39
Legal and Professional charges	49.73	21.18
ROC Expenses	-	0.03
Stamp Duty		-
Communication expenses	8.41	8.09
Travel & conveyance expenses	30.30	14.01
Rent Office & Godown	9.54	8.41
Power & Fuel	539.12	566.93
Sales & Business Promotion	34.51	5.44
Payment to Auditors	-	-
Statutory audit	-	2.00
Tax audit	-	-
Taxation and Other Matters	-	-
Cost Audit Fees	-	-
Repairs & Maintenance Expenses	120.19	95.24
Consumption of Stores	559.92	279.28
Discount & Rebate	3.34	24.67
Freight & Transportation	183.62	133.42
Labour Wages	520.33	400.38
Security Charges	25.34	15.08
Printing & Stationery	17.89	13.93
Miscellaneous expenses	158.46	114.91
Job Work Charges	817.09	441.22
Consumables	37.13	-
Shortage and spoiled goods	2.87	-
CSR	-	63.08
Maharashtra VAT Tax - Penalty paid	-	-
Expected Credit Loss	-	-43.86
Excise Duty	-	-
	<b>3,170.40</b>	<b>2,201.18</b>

## 2.25 Recent Accounting Pronouncements.

### Ind AS 116 Leases :

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

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

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

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

**2.26 Auditors Remuneration**

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Audit fees	2.00	2.00
b) Other charges		
Taxation matters		-
<b>TOTAL</b>	<b>2.00</b>	<b>2.00</b>

**2.27 Earnings per Share**

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Earnings</b>		
Profit attributable to equity holders	<b>(56.39)</b>	<b>128.00</b>
<b>Shares</b>		
Number of shares at the beginning of the year	169.40	169.40
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	169.40	169.40
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>169.40</b>	<b>169.40</b>
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>169.40</b>	<b>169.40</b>
<b>Earnings per share of par value Rs.10/- – Basic ( ₹)</b>	<b>(0.33)</b>	<b>0.76</b>
<b>Earnings per share of par value Rs.10/- – Diluted ( ₹)</b>	<b>(0.33)</b>	<b>0.76</b>

**2.28 Related Parties**

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

- Mr. S. Murali Krishna Murthy - Managing Director
- Mr. G Venkata Ramana - Joint Managing Director
- Mr. S. Mohan Krishna Murthy - Whole Time Director
- Mr. S. Balaji Venkateswarulu - Whole Time Director
- Mr. S. Srinivas Kumar - Whole Time Director
- Bh. Satyanarayana Raju - Whole Time Director
- Mr. Sharvari Swapnil Shinde - Company Secretary
- Sri Sai Krishna Marketing Associates - Entity in Which Directors are Interested
- Wohler Laboratories Limited - Entity in Which Directors are Interested

# ORTIN LABORATORIES LIMITED

The following is a summary of significant related party transactions:

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>a) Key managerial personnel</b>		
<b>Remuneration</b>		
Mr. S. Murali Krishna Murthy	5.70	5.40
Mr. S. Mohan Krishna Murthy	3.00	2.85
Mr. S. Balaji Venkateswarulu	5.40	5.40
Mr. S. Srinivas Kumar	5.40	5.40
Mr. G Venkata Ramana	27.00	21.23
Mr. Bh. Satyanarayana Raju	21.00	16.50
Mr. Sharvari Swapnil Shinde	0.90	1.80
<b>Sitting Fee</b>		
Mr. J R K Panduranga Rao	0.05	0.05
Mr. Pradyumna Teja	0.04	0.02
Mr. T. Seshagiri	0.03	0.05
Mr. B. Gopala Reddy	0.04	0.05
Mrs. Uma Sangeeta	0.05	
<b>TOTAL</b>	<b>68.61</b>	<b>58.75</b>

## Other related party transactions

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sri sai krishna marketing associates-associate firm</b>		
Sales	11.89	8.93
Purchases	5.53	6.73
Trade Receivables	182.78	178.33
<b>Wohler Laboratories Private Limited-associate company</b>		
Sales	416.25	443.57
Purchases	0.00	462.64
Trade Payables	201.63	--
<b>Unsecured Loans received by the company</b>		
S. Balaji Venkateshwarlu-Director	17.68	7.18
S. Mohan Krishna Murthy-Director	33.56	23.65
S. Murali Krishna Murthy-Managing Director	18.70	31.41
S. Srinivas Kumar-Director	26.27	19.85
Bh. Satyanarayana Raju-Director	0.26	3.54
G.Venkata Ramana-Joint Managing Director	(4.64)	(4.64)
Srinidhi Infin Limited-Entity in which directors are interested	31.09	85.10

## 2.29 Segment Reporting

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

**2.30 Employee benefits**
**Gratuity benefits**

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

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2020 and 2019 consist of the following:

(Amount in Rs Lakhs)

Particulars	For the Years ended 31st March	
	2020	2019
Current service cost	17.19	5.28
Interest on net defined benefit liability/(asset)	4.61	1.94
<b>Gratuity cost recognized in statement of profit and loss</b>	<b>21.80</b>	<b>7.21</b>

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

(Amount in Rs Lakhs)

Particulars	As of 31 March	
	2020	2019
Defined benefit obligations at the beginning of the year	60.21	25.32
Current service cost	17.19	5.28
Interest on defined obligations	4.61	1.94
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	8.09	-
Actuarial loss/(gain) due to demographic assumptions		-
Actuarial loss/(gain) due to experience changes	67.27	23.84
Benefits paid		-
<b>Defined benefit obligations at the end of the year</b>	<b>157.37</b>	<b>56.38</b>

**Summary of Actuarial Assumptions:**

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

The assumptions used to determine benefit obligations:

Particulars	For the Years ended 31st March	
	2020	2019
Discount rate	6.72%	7.65%
Salary Escalation	5.00%	5.00%
Mortality Rate	100%	100.0%
Disability Rate	0.00%	0.00%
Withdrawal Rate	5.0% to 7.0%	5.0% to 7.0%
Normal Retirement Age	60Year	60 Years
Adjusted Average Future Service	9.12	9.44

**Leave Encashment:**

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

**Contribution to Provident Fund**

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs.24.87 Lakhs and Rs.20.11 Lakhs to the provident fund plan and other funds during the years ended 31st March 2020 and 2019, respectively.

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<i>Current taxes expense</i>		
Domestic	22.25	53.76
<i>Prior year tax adjustments</i>	83.32	-
<i>Deferred taxes expense/(benefit)</i>		
Domestic	22.68	2.04
<b>Total income tax expense/ (benefit) recognized in the statement of profit and loss</b>	<b>128.25</b>	<b>55.80</b>

**b. Reconciliation of Effective tax rate:**

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Profit before income taxes</b>	<b>71.85</b>	<b>183.80</b>
Enacted tax rate in India	25.17%	27.82%
<b>Computed expected tax benefit/(expense)</b>	<b>18.09</b>	<b>51.13</b>
<b>Effect of:</b>		
Expenses not deductible for Tax purposes	53.72	60.81
Expenses deductible for Tax purposes	(49.56)	(61.79)
Taxable at Special Rates		
<b>Income tax benefit/(expense) for the year</b>	<b>22.25</b>	<b>50.15</b>
<b>Effective tax rate</b>	<b>30.96</b>	<b>27.29%</b>

The Company's average effective tax rate for the years ended March 31, 2020 and 2019 were 30.96% and 27.29%, respectively.

**c. Deferred tax assets & Liabilities:**

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Deferred tax assets/(liabilities):</b>		
Property, plant and equipment	(253.63)	(254.97)
Net deferred tax assets/(liabilities)	(253.63)	(254.97)

**2.32 Financial Risk Management:**

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

**a. Credit Risk:**

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

**Trade Receivables** - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Nil as at 31 March 2020 and Nil as at 31st March 2019.

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

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

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

(Amount in Rs Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Balance at the beginning of the year</b>	<b>3715.29</b>	<b>3783.40</b>
Impairment of Trade receivables	-	-
<b>Balance at the end of the year</b>	<b>3715.29</b>	<b>3783.40</b>

**Liquidity Risks:**

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

As of 31 March 2020 and 2019, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31 March 2020, the Company had working capital (current assets less current liabilities) of Rs.249.81 lakhs including cash and cash equivalents of Rs.95.24 Lakhs and investments in FVTPL financial assets of Rs.6.96 lakhs. As of 31 March 2019, the Company had working capital of Rs. 986.45 lakhs, including cash and cash equivalents of Rs. 214.30 lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020:

<b>Particulars</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Thereafter</b>	<b>Total</b>
Long term borrowings-Vehicle loan	15.95	13.70	13.31	22.70	65.67
Long term borrowings-Interest free Sales tax deposit	-	-	-	11.16	11.16
Bank overdraft, short-term loans and borrowings*	100.01	86.67	-	-	186.68

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

**Market Risks:**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

**Interest rate Risk**

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

**CAPITAL MANAGEMENT**

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

The company's Debt Equity ratio is as follows:

(Amount in Rs Lakhs)

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
Total Debt	1,957.14	1947.17
Total Equity	2381.59	2509.39
Debt Equity Ratio	<b>0.82:1</b>	<b>0.78:1</b>



**2.33 Contingent Liabilities and Commitments:**

The following are the details of contingent liabilities and commitments:

(Amount in Rs Lakhs)

Particulars	2020	2019
<b>Contingent Liabilities</b>		
a) Letter of credit outstanding	599.96	599.96
b) Demand raised by excise department for FY 2010-11 to 2011-12	0	10.03
c) Demand raised by Income tax department for FY 2013-14 TO 2014-15	0	0.90
d) Demand raised by Income tax department for FY 2008-09, FY 2009-10 and FY 2010-11 *	0	1.43
	<b>599.96</b>	<b>612.32</b>



Book Post

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



**ORTIN LABORATORIES LIMITED**

D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura,  
Hyderabad - 500027, Ph: 040 - 2756 7266 2756 2055

E-mail : [info@ortinlabsindia.com](mailto:info@ortinlabsindia.com) : Website : [www.ortinlabsindia.com](http://www.ortinlabsindia.com)