



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



To,

Date: 24.01.2020

BSE Limited,
P.J. Towers, Dalal Street,
Mumbai-400001

Dear Sir/ Madam,

Sub: Notice of the Hon'ble National Company Law Tribunal convened meeting of the Sundry Creditors of Ortin Laboratories Limited

Ref: BSE Scrip code: 539287, NSE - ORTINLABSS

With reference to the subject cited, please find attached herewith the notice of the Hon'ble Tribunal convened meeting of the Sundry Creditors of Ortin Laboratories Limited as per the directions of the Hon'ble National Company Law Tribunal, Bench at Hyderabad scheduled to be held on Wednesday, 26th Day of February, 2020 at 10:30 A.M. at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad- 500035, Telangana.

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

Yours faithfully,
For Ortin laboratories Limited



S. Murali Krishna Murthy
Managing Director
DIN: 00540632

Encl. as above

ORTIN LABORATORIES LIMITED

ORTIN LABORATORIES LIMITED
(CIN: L24110TG1986PLC006885)
REGD OFF: D. NO: 3-4-512/35 (43/4RT), OPP: BARKATPURA PARK,
BARKATPURA
HYDERABAD-500027, TELANGANA, INDIA
EMAIL: info@ortinlabsindia.com

NOTICE OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL (TRIBUNAL)
CONVENED MEETING OF THE SUNDRY CREDITORS OF THE COMPANY

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ORTIN LABORATORIES LIMITED

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD
C.A. (CAA) NO.230/230/HDB/2019
IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 66 OF
THE COMPANIES ACT, 2013 AND ALL OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013

AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
OF
ORTIN LABORATORIES LIMITED
(DEMERGED COMPANY OR TRANSFEROR COMPANY)
AND
VINEET LABORATORIES LIMITED
(RESULTING COMPANY OR TRANSFEEER COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Ortin Laboratories Limited, a Company incorporated under the Companies Act, 1956, bearing CIN: L24110TG1986PLC006885 and having its Registered Office at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura Hyderabad-500027, Telangana, India, represents to its Managing Director, Mr. S. Murali Krishna Murthy (DIN: 90540632) email: info@ortinlabsindia.com, Ph: 9440047800.

...Applicant Company / Demerged Company/Transferor Company

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE SUNDRY
CREDITORS OF ORTIN LABORATORIES LIMITED / APPLICANT /
TRANSFEROR COMPANY AS PER THE DIRECTIONS OF THE HON'BLE
NATIONAL COMPANY LAW TRIBUNAL, BENCH AT HYDERABAD

To
The Sundry Creditors of
Ortin Laboratories Limited
("The Company" or "Applicant Company / Transferor Company"/Demerged
Company")

NOTICE is hereby given that pursuant to an order dated the 6th day of January, 2020, passed in Company Application bearing no. C.A. (CAA) NO.230/230/HDB/2019 the Hyderabad Bench of the Hon'ble National Company Law Tribunal, has inter-alia directed that a meeting to be held on Wednesday, 26.02.2020 at 10.30 a.m. at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad- 500035, Telangana, of the Sundry Creditors of Ortin Laboratories Limited (Transferor Company/ Demerged Company) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement of Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme"), by passing the following Resolutions:

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HON'BLE NATIONAL COMPANY LAW
TRIBUNAL CONVENED MEETING OF
THE SUNDRY CREDITORS

OF
ORTIN LABORATORIES LIMITED
(CIN: L24110TG1986PLC006885)

REGD OFF: D. NO: 3-4-512/35 (43/4RT),
OPP: BARKATPURA PARK, BARKATPURA
HYDERABAD-500027, TELANGANA, INDIA
EMAIL: info@ortinlabsindia.com

DAY	WEDNESDAY
DATE	26th DAY OF FEBRUARY, 2020
TIME	10.30 A.M.
VENUE	8-113/A/1, HOTEL MINERVA BANQUETS, KOTHAPE, HYDERABAD- 500035, TELANGANA

ORTIN LABORATORIES LIMITED

RESOLUTION 1: APPROVAL OF SCHEME OF ARRANGEMENT

*RESOLVED THAT pursuant to the provisions of Section 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, read with the National Company Law Tribunal Rules, 2016, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modifications, amendments, re-enactments thereof for the time being in force, the applicable provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the Hon'ble National Company Law Tribunal, Bench at Hyderabad or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/ regulatory authorities, if any, in the regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft "Scheme of Arrangement" of Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme"), providing for demerger of API Intermediates Division/Undertaking of the Demerged Company with the Resulting Company on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date, as placed before the meeting and initiated by the chairman for the purpose of identification, be and is hereby approved".

RESOLVED FURTHER THAT the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, while sanctioning the arrangements embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper".

RESOLUTION 2: RECLASSIFICATION OF PERSONS FORMING PART OF THE
PROMOTER GROUP FROM 'PROMOTER & PROMOTER GROUP CATEGORY'
TO 'PUBLIC CATEGORY':

*RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, the consent of the Sundry Creditors of the Company be and is hereby authorized to reclassify the following personalities (hereinafter individually and jointly referred to as the "applicants") forming part of the Promoter Group from Promoter & Promoter Group Category to "Public Category" as per the Scheme of Arrangement between Ortin Laboratories Limited (demerged company) and Vineet

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ORTIN LABORATORIES LIMITED

Notes:

- ASUNDRY CREDITOR/ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF ITSELF AND THE PROXY NEED NOT BE A SUNDRY CREDITOR OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.
- No person shall be appointed as a proxy who is a minor.
- The notice is being sent to all the Sundry Creditors whose names are appearing in the Certificate given by the Chartered Accountant certifying the list of Sundry Creditors as on 30.06.2019, as had been filed with the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in Company Application No. CA (CAA) 230/230/HDB/2019, by permitted mode of post. A person/ entity who is not a Sundry Creditor on such date should treat the notice for information purposes only and will not be entitled to vote at the meeting. This notice of the Tribunal Convened Meeting of Sundry Creditors of the Applicant Company / Demerged Company along with all the accompanying documents is also displayed / posted on the website of the Company i.e. at www.ortinlabsindia.com.
- Sundry Creditors whose names are appearing in the Certificate given by the Chartered Accountant certifying the list of Sundry Creditors as on 30.06.2019, as had been filed with the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in Company Application No. CA (CAA) 230/230/HDB/2019, may attend and vote at the meeting. The Authorized Representative of a body corporate which is a Sundry Creditor of the Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of such body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Company not later than 48 hours before the meeting.
- The proxy of a Sundry Creditor blind or incapable of writing may be accepted if such Sundry Creditor has attached his signature or mark thereon in the presence of a witness who shall add to his signature his description and address. Provided that all insertions in the proxy are in the hand writing of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the Sundry Creditor before he attached his signature or mark.
- The proxy of a Sundry Creditor who does not know English may be accepted if it is executed in the manner prescribed at point no. 5 above and the witness certifies that it was explained to the Sundry Creditor in the language known to him, and gives the Sundry Creditor's name in English below the signature.
- A Sundry Creditor or his/her/his Proxy is requested to bring the copy of the notice to the meeting and also the attendance slip, duly completed and signed, at the entrance of the meeting venue.

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Sl. No.	Name of shareholder	No of shares held	% of the paid up capital
1	SalyanarayanarajuBhupathiraju	496130	2.93
2	A. Srinivas Raju	392634	2.32
3	A Ranga Raju	302775	1.79
4	A Prabhakar Raju	616933	3.76
5	A Malihali	323310	1.91
6	VenkataRamanaGaddam	818409	4.83
7	A Anantalakshmi	319022	1.88
8	Venkata Rama Gaddam	767247	4.53
9	GaddamSrinivasa Rao	69680	0.41
10	GaddamBalaji	32680	0.19
	Total	4138820	24.43

*RESOLVED FURTHER THAT re-classification of promoter as public shareholders shall be subject to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof".

*RESOLVED FURTHER THAT after such reclassification following shall be the Promoters of the Company:

Sl. No.	Name of shareholder	No of shares held	% of the paid up capital
1	S Murali Krishna Murthy	143475	0.85
2	S. BalajiVenkateswaru	157827	0.93
3	S Sarath Kumar	120200	0.71
4	S VenkataSujatha	122800	0.72
5	Lakshmi ShrivaniDasari	87500	0.52
6	S Srinivas Kumar	246723	1.46
7	S HemaKumari	110200	0.65
8	S Tanjav Krishna	90500	0.54
9	S Ravi Sankar	85000	0.50
10	S Rajeshwari	39110	0.23
11	S Krishna Karthik	60000	0.35
12	S Salya Praveen Kumar	79316	0.47
13	S. Nagajyothi	90290	0.53
14	S Venkataratnamma	192389	1.14
15	S. VenkataSubamma	101250	0.6
16	S Mohan Krishna Murthy	35816	0.21
	Total	1762546	10.41

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- A Sundry Creditor (in case such Sundry Creditor is an individual) or the authorized representative of the Sundry Creditor (in case such Sundry Creditor is a body corporate) or the proxy holder, should carry their valid and legible identity proof issued by a statutory authority (i.e., a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card). Additionally, a Sundry Creditor (in case such Sundry Creditor is a sole proprietorship) or the proxy holder should carry a valid and legible document evidencing the individual as the proprietor of the sole proprietorship.
- The quorum for the meeting of the Sundry Creditors of the Demerged Company shall be as per the provisions of Section 103 of the Companies Act, 2013 as Ordered by the Hon'ble National Company Law Tribunal, Bench at Hyderabad vide its order dated 08.01.2020.
- In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Sundry Creditors of the Demerged Company if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the Sundry Creditors present and voting in person or by proxy.
- All relevant documents referred to in the accompanying Explanatory Statement are open for inspection at the registered office of the Company on all working days (except on Saturdays, Sundays and Public holidays) between 2:00 P.M. to 5:00 P.M. up to 2 (two) days prior to the date of meeting.
- The results of the voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the Scrutinizer's report shall be placed on the website of the Company i.e. at www.ortinlabsindia.com.
- Route map to the venue of the Tribunal Convened Meeting is published in this Notice.
- All the Sundry Creditors, whose name appeared in the Certificate given by the Chartered Accountant certifying the list of Sundry Creditors as on 30.06.2019, as had been filed with the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in Company Application No. CA (CAA) 230/230/HDB/2019, may cast their vote (for or against) through Poll at the Tribunal Convened Meeting on Wednesday the 26th day of February, 2020, at 10:30 A.M.
- The voting rights of the Sundry Creditors shall be in proportion to the outstanding amount due to them by the Company as on 30.06.2019.

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*RESOLVED FURTHER THAT the disclosures given under clause 9.1.2 of the Explanatory Statement of this Notice is hereby noted and approved.

*RESOLVED FURTHER THAT Board be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution".

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Sundry Creditors of Ortin Laboratories Limited (Demerged Company) will be held on Wednesday, the 26th day of February, 2020, at 10.30 a.m. at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad- 500035, Telangana, of the Sundry Creditors of Ortin Laboratories Limited (Transferor Company/ Demerged Company) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement of Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme"), by passing the following Resolutions:

Sundry Creditors entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies to be presented or deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

A copy of the Scheme of Arrangement, Explanatory Statement under section 102 read with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Reports adopted by the Board of Directors of the Demerged Company and the Resulting Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders, Audited Financial Statements of the Demerged Company and the Resulting Company as on 31st March, 2019, Supplementary Unaudited Financial Statements of the Demerged Company and the Resulting Company and for the period ended on 30th day of September, 2019, Certificates issued by the auditor of the Companies confirming the Accounting Treatment proposed in the Scheme, a form of Proxy and attendance slip are forming part of this notice and also available at the website of the Company www.ortinlabsindia.com.

Forms of proxy will also be made available at the registered office of the Company.

The Hon'ble National Company Law Tribunal, Bench at Hyderabad was pleased to Appoint Mr. B.V. Ram Naresh Kumar Advocates, the CHAIRPERSON and Ms. B. Poojitha, Advocate, as the Scrutinizer for convening the said meeting.

The above mentioned Scheme of Arrangement of Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme"), if approved by the meeting, will be subject to the subsequent approval of the National Company Law Tribunal, Bench at Hyderabad.

Dated this 20th day of January, 2020
Hyderabad

B. V. Ram Naresh Kumar
CHAIRPERSON - Tribunal Convened
Meeting of Sundry Creditors of
Ortin Laboratories Limited

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ORTIN LABORATORIES LIMITED

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD

C.A. (CAA) NO.230/230/HDB/2019
IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 66 AND
ALL OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
OF
ORTIN LABORATORIES LIMITED
(DEMERGED COMPANY OR TRANSFEROR COMPANY)

AND
VINEET LABORATORIES LIMITED
(RESULTING COMPANY OR TRANSFEEER COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS
230 TO 232 AND SECTION 66 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND DETAILS & INFORMATION AS
REQUIRED UNDER RULE 6 OF THE COMPANIES (COMPROMISES,
ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

ITEM NOS 1 & 2:

- A Scheme of Arrangement of Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme / Scheme of Arrangement") was proposed by the Board of Directors of the Resulting Company and the Board of Directors of the Demerged Company for the purpose of Demerger of API Intermediates Division of Demerged Company with the Resulting Company on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date.
- The said Scheme of Arrangement was approved by the Board of Directors of the Demerged/Resulting Company at their respective meetings held on 15.05.2019, after taking into the consideration the recommendation of their respective audit committees (where applicable) under the provisions of Sections 230 to 232 and all other applicable provisions of Companies Act, 2013. The Board of Directors of the Companies have approved the Scheme after taking into consideration the rationale of the Schemes and the certificate issued by the statutory auditors of the Companies to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

The Board of Directors of the Company took note of the modifications made to the Scheme in view of the Observation made by BSE and NSE. vide their letters dated 20.06.2019 by passing a resolution in the Board Meeting held on 14.08.2019 and 17.01.2020 and accordingly necessary corrections/ modifications have been carried out at appropriate places in the Scheme.

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3. Accordingly, a Joint Company Application vide C.A.(CAA) NO.230/230/HDB/2019, was filed before the Hon'ble National Company Law Tribunal, Bench at Hyderabad, by the Demerged Company and the Resulting Company...

4. The C.A.(CAA) NO.230/230/HDB/2019, was admitted by the Hon'ble National Company Law Tribunal, Bench at Hyderabad on the 19th day of November, 2019 and pursuant to the Order dated 6th day of January, 2020, passed by the Hon'ble Tribunal...

Accordingly, as ordered by the Hon'ble National Company Law Tribunal, Bench at Hyderabad vide Order dated 6th day of January, 2020, in C.A.(CAA) NO.230/230/HDB/2019, a meeting of the Sundry Creditors of the Demerged Company...

5. Further the Hon'ble National Company Law Tribunal, Bench at Hyderabad, pursuant to the Order dated 6th day of January, 2020, in C.A.(CAA) NO.230/230/HDB/2019, was pleased to Appoint Mr. B.V. Ram Naresk Kumar, Advocate, as the CHAIRPERSON and Ms. B. Poojitha, Advocate, as the Scrutinizer for convening the said meeting.

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ORTIN LABORATORIES LIMITED

Table with 4 columns: Sl. No., Name of the Director, In Favor, Against, Abstain. Lists directors V. Varaprasada Rao, K. Muri Mohan, P. Kishore Raju, and P. Venkata Krishnam Raju.

6. Names of Directors of the Resulting Company who voted in favor of / against the Resolution approving the Scheme of Arrangement of the meeting of the Board of Directors of the Company held on 15.05.2019:

Table with 4 columns: Sl. No., Name of the Directors, In Favor, Against, Abstain. Lists directors Venkata Ramana Gaddam, SatyanarayanarajuBhupathiraju, and K. Muri Mohan.

h. The Resulting Company does not have any creditors (whether secured or unsecured) as on 30.09.2019.

7.1 Ortin Laboratories Limited

Ortin Laboratories Limited ('Demerged Company') was originally incorporated as a private limited company in the name and style 'Ortin Laboratories Private Limited' on 27th day of October, 1986 under the provisions of the Companies Act, 1956 and subsequently converted into a Public Limited Company and the word 'private' was deleted from the name of the Company on 23rd January, 1995...

b. The Registered Office of the Demerged Company is situated at D. No. 3-4-512/25 (43/4RT), Opp: Barkatpura Park, Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana, India.

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ORTIN LABORATORIES LIMITED

Table with 4 columns: Sl. No., Name of the Directors, In Favor, Against, Abstain. Lists directors Venkata Rama Gaddam, Gaddam Srinivasa Rao, Gaddam Balaji, Jaluri Radhakrishna Pandurang Rao, Kavory Pradyumna Raja, Seshagiri Trakavallu, Gopal Raddy Bhaemmeddy, and Thotakura Uma Sangeetha.

g. Names of Directors of the Demerged Company who voted in favor of / against the Resolution approving the Scheme of Arrangement of the meeting of the Board of Directors of the Company held on 15.05.2019:

Table with 4 columns: Sl. No., Name of the Directors, In Favor, Against, Abstain. Lists directors Gaddam Venkata Ramana, Jaluri Radhakrishna Pandurang Rao, Murali Krishna Murthy Sanka, Mohan Krishna Murthy Sanka, Bralaji Venkateswarlu Sanka, Srinivassakumar Sanka, Satyanarayanaraju Bhupathiraju, Kavory Pradyumna Raja, Seshagiri Trakavallu, Gopal Raddy Bhaemmeddy, and Thotakura Uma Sangeetha.

h. The Demerged Company has (Four) secured creditors amounting to Rs. 19,24,35,475/- (Rupees Eighteen Crores Twenty four Lakhs thirty five thousand four hundred and Seventy Five only) as on 30.06.2019. Secured creditor constituting more than 90% of the total amount due has given its consent to the Scheme stating that it is aware of the Scheme of Arrangement and that it does not have any objection to the proposed Scheme of Arrangement.

i. The Demerged Company has 36 (Thirty-six) unsecured lenders amounting to Rs. 2,95,47,890/- (Rupees Two Crores Ninety Six Lakhs Forty Seven Thousand Eight Hundred and Ninety only) as on 30.06.2019. Unsecured lenders constituting more than 90% in value and number have given their consent to the Scheme stating

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ORTIN LABORATORIES LIMITED

6. DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE COMPANIES

6.1 Vineet Laboratories Limited

a. Vineet Laboratories Limited is a Company incorporated under the provisions of the Companies Act, 2013, on 11.11.2016, with CIN: U24304TG2016PLC112886 issued by the Registrar of Companies, Andhra Pradesh and Telangana. The PAN of the Company is AAFCV6894F. The ISIN of the Company is INE505Y01010 (Hereinafter referred to as the 'Transferor Company/Resulting Company')

b. The Registered Office of the Resulting Company is situated at S2.No. 11A/3, Sahab Nagar, Kundu Vili, Chintal Kurta, Eshwararama Nilayam, L B Nagar Hyderabad - 500074 Telangana, India.

c. The Resulting Company's objects enable it to carry on the business of manufacturing of bulk drugs intermediates and API Intermediates.

d. The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 31.03.2019, is as follows:

Table with 2 columns: Particulars, Amount in Rupees. Shows authorized 41,00,00,000 equity shares of INR 10 each and issued, subscribed and paid-up 41,00,00,000 equity shares of INR 10 each, fully paid up.

Subsequent to 31.03.2019 and till date of passing the resolution approving the Scheme of Arrangement by the Board of Directors of the Resulting Company, there is no change in the authorized, issued, subscribed or paid-up share capital of the Resulting Company.

e. The Register of members of the Resulting Company showing the latest list of the equity shareholders of the Resulting Company is as follows:

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ORTIN LABORATORIES LIMITED

c. The Demerged Company is engaged, inter alia, in the business of manufacturing complete range of pharmaceutical formulations, API Intermediates, trading of chemicals, surgical and medicines.

d. The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31.03.2019, is as follows:

Table with 2 columns: Particulars, Amount in Rupees. Shows authorized 2,00,00,00,000 equity shares of INR 10 each and issued, subscribed and paid-up 1,69,40,40,000 equity shares of INR 10 each, fully paid up.

Subsequent to 31.03.2019 and till date of passing the resolution approving the Scheme of Arrangement by the Board of Directors of the Demerged Company, there is no change in the authorized, issued, subscribed or paid-up share capital of the Resulting Company.

e. The Demerged Company's equity shares are listed and traded on the BSE Limited ('BSE') and National Stock Exchange of India ('NSE') bearing ISIN: INF149B01012 & Scrip Code: 533287 and on the National Stock Exchange of India Limited ('NSE') bearing Symbol: ORTINLABSS.

f. Names of the Promoters and Directors of the Demerged Company along with their addresses:

Table with 4 columns: Sl. No., Name, Designation, Present Address. Lists 6 directors including S. Murali Krishna Murthy, S. Balaji Venkateswarlu, S. Sarath Kumar, S. Venkata Sujatha, Lakshmi ShivanDasari, and S. Srinivas Kumar.

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ORTIN LABORATORIES LIMITED

that they are aware of the Scheme of Arrangement and that they do not have any objection to the proposed Scheme of Arrangement.

j. The Demerged Company has 314 (Three Hundred and Fourteen) sundry creditors amounting to Rs. 50,33,11,165/- (Rupees Fifty Crores Thirty three Lakhs Eleven Thousand One Hundred and Sixty five only) as on 30.06.2019.

k. The Hon'ble Tribunal vide its order dated 6th day of January, 2020, was pleased to dispense with the requirement of convening the meetings of the Secured Creditors and Unsecured Lenders of the Demerged Company. The Hon'ble Tribunal vide its order dated 6th day of January, 2020, was further pleased to direct that a meeting of the sundry creditors of the Demerged Company be convened besides convening the Tribunal convened meeting of the equity shareholders of the Demerged Company for obtaining their approval to the Scheme of Arrangement.

8. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME OF ARRANGEMENT

(i) This Scheme is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 for transfer by way of Demerger of the API Intermediates Division of the Demerged Company (defined as demerged undertaking) of the Demerged Company as a going concern to the Resulting Company, and consequential restructure of its share capital.

(ii) The Demerged Company has presently 2 (two) Divisions namely Formulations Division and API Intermediates Division. The formulations division is being operated through the Unit I located at Plot No.275 & 278, I.D.A Paschimaram, Medak Dist. Telangana and the API Intermediates division is being operated through the Unit II located at S2, No. 300, Malkajgiri Village, Chevugupati Mandal, Nalgonda District, Telangana. With an objective of achieving operational efficiencies and streamlining its current structure, the Demerged Company proposes to Demerge the API Intermediates Division currently operating through the Unit II to the Resulting Company and the Demerged Company shall continue to carry on the Formulations Division Business.

(iii) In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by the Demerged Company, the management of Demerged Company has decided to concentrate on, and strengthen its core competencies and have greater focus and create more value for the Formulations Division (as defined hereinafter), in the interest of maximizing the overall shareholder value by demerging the API Intermediates Division to the Resulting Company. The objectives that are intended to be achieved by undertaking the Demerger of the API Intermediates Division and the consequential advantages that would ensure are, inter alia, as follows:

a) The nature of risk and return involved in the business of API Intermediates Division is distinct from the Formulations Division. Hence, transfer of API Intermediates Division would enable both the divisions to run and operate independently and in a more cohesive manner so as to run more profitably and

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Table with 4 columns: Sl. No., Name of shareholder, Total No. of shares held, % of holding. Lists 11 shareholders including SatyanarayanarajuBhupathiraju, A. Srinivas Raju, A Ranga Raju, A Prabhakar Raju, A Maithali, Venkata Ramana Gaddam, Venkata Rama Gaddam, V. Varaprasada Rao, K. Muri Mohan, P. Kishore Raju, and P. Venkata Krishnam Raju.

f. Names of the Promoters and Directors of the Resulting Company along with their addresses:

Table with 4 columns: Sl. No., Name, Designation, Present Address. Lists 7 directors including Satyanarayanaraju Bhupathiraju, A. Srinivas Raju, A Ranga Raju, A Prabhakar Raju, A Maithali, Venkata Ramana Gaddam, and Venkata Rama Gaddam.

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Table with 4 columns: Sl. No., Name, Designation, Present Address. Lists 23 directors including S. Hemakumar, S. Tandav Krishna, S. Ravi Sankar, S. Rajeshwari, S. Krishna Karthik, S. Satya Praveen Kumar, S. Nagajyothi, S. Venkateswaramma, S. Venkata Subbarma, S. Mohan Krishna Murthy, Satyanarayanaraju Bhupathiraju, A. Srinivas Raju, A Ranga Raju, A Prabhakar Raju, A Maithali, Venkata Ramana Gaddam, and A Anantakrishni.

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attract potential collaborators for the future growth and development of business by both the Resulting Company as well as the Demerged Company.

b) The transfer and vesting of the demerged undertaking of the Demerged Company to the Resulting Company through this Scheme is a view to unlock the economic value of both the Companies.

c) The said transfer of Undertaking would provide greater flexibility and visibility on the operational and financial performance of both the divisions and would provide higher degree of independence as well as accountability.

(iv) The Board of Directors of the Demerged Company is of the opinion that the Scheme of Arrangement would benefit the shareholders, creditors, employees and other stakeholders of both the Companies.

(v) This Scheme also provides for various other matters consequential or related thereto and otherwise integrally connected therewith.

9. SALIENT FEATURES OF THE SCHEME

9.1 The Scheme of Arrangement is presented under Sections 230 to 232 read with Section 66 and all other applicable provisions of the Companies Act, 2013, and provides for the demerger of Unit II of Ortin Laboratories Limited (Demerged Company or Transferor Company) into Vineet Laboratories Limited (Resulting Company or Transferee Company). The Scheme also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.

9.1.1 CLAUSE 1 OF THE SCHEME - DEFINITIONS

"Appointed Date" means opening business hours of 1st April, 2020 or if the Board of Directors of the demerged company and the resulting company require any other date or the National Company Law Tribunal or other competent authority modifies the appointed date as such other date, then the same shall be the appointed date. The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

"mandated the Appointed Date from 01.04.2017 to 01.04.2020 by the Boards of both demerged and resulting companies and their respective meetings held on 17.01.2020 pursuant to Ministry of Corporate Affairs General Circular No.9/2019.

"Demerged Company" means Ortin Laboratories Limited, a company incorporated under the provisions of the Companies Act, 1956 under CIN: L24110TG1986PLC00885 and having registered office at D. No. 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana, India, Telangana.

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"Demerged Undertaking" means and include:

- (i) all the business, undertaking, properties, investments and liabilities of whatsoever nature and kind and wherever situated, of the Demerged Company, in relation to and pertaining to the API Intermediates Division on going concern basis as are related to the Unit II located at Sy.No. 300, Makapur Village, Choutuppal Mandal, Nalgonda District Telangana, together with all its assets and liabilities and shall mean and include (without limitation);
- (a) all the movable and immovable properties including plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, freehold/leasehold assets and other contingent assets (whether tangible or intangible) of whatsoever nature in relation to the API Intermediates Division, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, settlements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, goodwill, other intangible, industrial and other licenses (as mentioned in the Annexure 1 of the Scheme appended to this notice in detail), permits, authorisations, import quotas and other quota rights, right to use and avail of telephones, telefax, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds and benefits of all agreements, arrangements, contracts, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earned monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the API Intermediates Division and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1951 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, etc.) and whatsoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company or in relation to the API Intermediates Division as on the Appointed Date; (include all the drug licenses, pharmacy agreements, franchise, sector specific approvals if any).
- (b) all the debts, borrowings, obligations and liabilities, whether present, or future, whether secured or unsecured, of the Demerged Company in relation to the API Intermediates Division as on the Appointed Date comprising of:
- (i) all the debts, duties, obligations and liabilities including contingent liabilities which arise out of the activities or operations of the Demerged Company in relation to the API Intermediates Division and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date.
- (ii) the specific loans and borrowings raised, incurred and utilised solely for the activities and operations of Demerged Company in relation to the API Intermediates Division; and

The breakup of the promoters is given below covering both pre and post demerger:

Sl. No.	Name of the promoter	Pre scheme shares	%	Post scheme shares	%
GROUP I					
1	S Murali Krishna Murthy Venkateswarulu	143475	0.85	68868	0.85
2	S Suresh Kumar	120200	0.71	67696	0.71
3	S Venkata Sujatha	122800	0.72	58944	0.72
4	Lakshmi ShrawaniDasari	87500	0.52	42000	0.52
5	S Srinivas Kumar	246723	1.46	118427	1.46
6	S Hema Kumari	110200	0.65	52896	0.65
7	S Hema Kumari	110200	0.65	52896	0.65
8	S Tandav Krishna	90650	0.54	43512	0.54
9	S Ravi Sankar	85000	0.50	40800	0.50
10	S Rajeshwari	39110	0.23	18772	0.23
11	S Krishna Karthik	60000	0.35	28800	0.35
12	S Satya Praveen Kumar	79316	0.47	38071	0.47
13	S. Nagajyothi	90290	0.53	43339	0.53
14	S Venkataratnamma	192389	1.14	92346	1.14
15	S. Venkata Subbamma	101250	0.6	48600	0.60
16	S Mohan Krishna Murthy	35816	0.21	17191	0.21
Total (I)		1762546	10.41	846018	10.41
GROUP II					
1	Satyaniyanaraju Bhubapathiraju	496130	2.93	238142	2.93
2	A. Srinivas Raju	392634	2.32	188464	2.32
3	A Ranga Raju	302775	1.79	145332	1.79
4	A Prabhakar Raju	616933	3.64	296127	3.64
5	A Mathali	323310	1.91	155188	1.91
6	VenkataRamanaGaddam	818409	4.83	392636	4.83
7	A.Arentalakshmi	319022	1.88	153130	1.88
8	Venkata Rama Gaddam	767247	4.53	368278	4.53
9	GaddamSrinivasa Rao	69680	0.41	33446	0.41
10	GaddamBalaji	32620	0.19	15620	0.19
Total (II)		4138920	24.43	198629	24.43
Grand Total (III)		5901366	34.84	283247	34.84

- (b) In respect of other assets other than those referred to sub-clause (a) above, pertaining to Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Demerged Company shall, issue notices in such form as Resulting Company may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Resulting Company as the person entitled thereto, to the end and intent that the right of Demerged Company to receive and deposits with the Government, semi-Government, local and other authorities and bodies should be passed in their respective books to record the aforesaid changes;
- (c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clauses (a) and (b), the same shall be transferred to and vested in Resulting Company, so as to become from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- (i) With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, all debts, liabilities including accrued interest thereon, contingent liabilities, titles and obligations of every kind, nature and description of Demerged Company pertaining to the Demerged Undertaking under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or deemed to be transferred to Resulting Company, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party or other person or to enter into any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- (ii) With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, any statutory licenses, permits, approvals or consents held by Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately transferred to Resulting Company authorities concerned therewith in favour of Resulting Company and the benefit of all statutory and Regulated permissions, environmental approvals and consents, registration or other licenses, etc., shall vest in and become available to Resulting Company as if they were originally obtained by Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person or availed of by Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to Resulting Company on the same terms and conditions as applicable to Demerged Company as if the same were originally allotted and/or granted and/or sanctioned and/or allowed to Resulting Company.
- (iii) The entitlement to various benefits under Incentive Schemes and Policies in

- (iii) liabilities other than those referred to in sub-clauses (i) and (ii) above and not directly related to the API Intermediates Division, being the amounts of any general or multipurpose borrowings of Demerged Company as stand in the same proportion which the value of assets transferred under this Clause of API Intermediates Division bears to the total value of the assets of the Demerged Company immediately before the Appointed Date;
- (c) all intellectual property rights, including trademarks, trade names and the goodwill associated therewith, patents, patent rights, copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how, or any applications for the above, assignments and grants in respect thereof of the Demerged Company in relation to the API Intermediates Division as on the Appointed Date;
- (d) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the API Intermediates Division of the Demerged Company as on the Appointed Date;
- (e) all employees of the Demerged Company engaged in the API Intermediates Division; and
- (f) any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the API Intermediates Division or whether it arises out of the activities or operations of the API Intermediates Division or not, shall be decided by the Board of the Demerged Company or any Committee thereof in consultation with the Board of Directors of the Resulting Company.

"Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company who shall be entitled to receive Equity Shares of the Resulting Company pursuant to this Scheme.

"Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking and remaining with the Demerged Company after giving effect to this Scheme.

"Resulting Company" means Vineet Laboratories Limited, a company incorporated under the provisions of the Companies Act, 2013 under CIN: U24304TG2016PLC112858 and having registered office at Sy.No. 11/A3, Saheb Nagar, Kurduviti, ChintalKunta, EshwarammaNiyam, L B Nagar, Hyderabad Telangana - 500074.

Post-demerged shareholding pattern of OLL (demerged company i.e., Group I) will be as under:

The post demerger shareholding pattern of OLL (demerged company) is given below:

Category	No. of shares	% of demerged paid up capital
Promoters	8,46,018	10.41
Public	72,85,374	89.59
Total	81,31,392	100.00

Pre-Demerger shareholding pattern of Vineet Laboratories Limited (Resulting Company)

The pre demerger shareholding pattern of M/s Vineet Laboratories Limited is given below:

Category	No. of shares	% pre-demerger paid up capital
Promoters	4,10,000	100
Public	0	0
Total	4,10,000	100

The breakup of the promoter's shareholding covering both the pre and post demerger is given below:

Sl. No.	Name of the promoter	Existing promoter in OLL in Group	Existing promoter in VLL	Pre scheme Shares in VLL	%	Post scheme Shares (including pre scheme shares)	%
1	Satyaniyanaraju Bhubapathiraju	Yes	Yes	30000	7.31	28787	3.12
2	A. Srinivas Raju	Yes	Yes	34500	8.44	22819	2.59
3	A Ranga Raju	Yes	Yes	34500	8.44	19203	2.28
4	A Prabhakar Raju	Yes	Yes	36400	8.89	22259	2.47
5	A Mathali	Yes	Yes	35400	8.58	22421	2.52
6	Venkata Ramana Gaddam	Yes	Yes	51600	12.59	47772	5.18
7	A.Arentalakshmi	Yes	No	-	-	16681	1.80
8	Venkata Rama Gaddam	Yes	Yes	51400	12.54	40368	4.49
9	Gaddam Srinivasa Rao	Yes	No	-	-	3623	0.39
10	Gaddam Balaji	Yes	No	-	-	16993	0.18
11	V. Venkateswara Rao	No	Yes	51400	12.54	16263	1.76
12	K. Mani Kumar	No	Yes	9200	2.23	5000	0.54
13	P. Kishore Raju	No	Yes	16750	4.06	16750	0.18
14	P. Venkateshwararaj	No	Yes	16750	4.06	16750	0.18
Total				410000	100	287286	28.98

- relation to the Demerged Undertaking of the Demerged Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements or interests of any nature whatsoever. Such entitlement shall include (but shall not be limited to) income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs and others and incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the appointed date as if the Resulting Company was originally entitled to all such benefits under such incentive schemes and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive Schemes were made available to the Demerged Company.
- (v) Since each of the permissions, approval, consents, sanctions, remissions (including remission under income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs and others) and incentives in relation to the Demerged Undertaking, are concerned, the Resulting Company shall file the relevant intimations if any, for the record of the statutory authorities who shall take them on file, pursuant to this Scheme coming into effect.
- (vi) It is clarified that all the taxes and duties pertaining to the Demerged Undertaking payable by the Demerged Company, from the appointed date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and are duties, liabilities or refunds and claims of Resulting Company. Accordingly, upon the Scheme becoming effective, the Resulting Company is expressly to file its respective income-tax, income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds/credits, pursuant to the provisions of this Scheme.
- (vii) The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property or any part thereof relating to the Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.
- (a) In so far as any securities, charges, hypothecation and mortgages over the assets retained in the Demerged Undertaking are securities for liabilities of the Remaining Undertaking, the same shall, upon the Scheme becoming Effective, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from all encumbrances and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by Demerged Company and shall not operate against any of the assets transferred to Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed, agreement or

"Scheme", "the Scheme", "this Scheme", "Scheme of Arrangement" means this Scheme of Arrangement in its present form or as may be modified by an agreement between the Parties submitted to the Hon'ble NCLT or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the Hon'ble NCLT or any other Appropriate Authority may direct.

"Share Entitlement Ratio" means, the number of equity shares of Vineet Laboratories Limited (Resulting Company) to which a shareholder of Ortin Laboratories Limited (Demerged Company) would be entitled to in proportion of his existing shares in Ortin Laboratories Limited (Demerged Company).

"Stock Exchanges" means collectively, the BSE and the NSE.

9.1.2 CLAUSE 2 OF THE SCHEME - RECLASSIFICATION OF PROMOTERS AS PER REGULATION 31A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In the pre-demerger scenario, the promoters of M/s Ortin Laboratories Limited consist of two groups. In the post demerger, One group (group-I) will continue as promoters of OLL (demerged company) and the other group (Group - II) will become the promoters of Vineet Laboratories Limited (VLL -resulting company) while continuing as shareholders in the category of OLL. The scheme is designed in such a way that there will not be any common promoters in both the companies. Both the groups independently will handle the management of both the companies as separate set of promoters.

- a) Group I headed by Mr. S. Murali Krishna Murthy and his family members will continue to remain the promoters of Ortin Laboratories Limited after demerger (demerged company)
- b) Group II headed by Mr. G. VenkataRamana and his family members and associates will exit as promoters from M/s Ortin Laboratories Limited and become the promoters of M/s Vineet Laboratories Limited (resulting company).
- c) Thus, in the Post demerger, Group I (the promoters of demerged company) will continue as public shareholders in the Resulting company and the Group II (the promoters of Resulting company) will continue as public shareholders in the demerged company.

The shareholding pattern of M/s Ortin Laboratories Limited before demerger is as under:

Category	No. of shares	%
Promoters	59,01,366	34.84
Public	1,10,39,034	65.16
Total	1,69,40,400	100.00

The post scheme shares of Mr. Venkata Ramana Gaddam and Mrs. Venkata Rama Gaddam were inadvertently mentioned as 468804 (5.09%) and 476972 (5.17) respectively in the approved scheme on 15.05.2019. The same was rectified by the Board of both the demerged and resulting Companies in their respective meetings held on 17.01.2020.

As shown in the above table, the existing promoters of Vineet Laboratories Limited (resulting company) who are also existing promoters of Group II of Ortin Laboratories Limited (demerged company) will be the promoters of Vineet Laboratories Limited. In post demerger, the promoters in Group I of Ortin Laboratories Limited shall be a part of public shareholders in Vineet Laboratories Limited (Resulting Company). Post demerger shareholding pattern of Vineet Laboratories Limited will be as under:

Post-scheme shareholding pattern of VLL (resulting company):

Category	No. of shares	% paid up capital after demerger
Promoters*	26,72,865	28.99
Public*	65,46,143	71.01
Total	92,19,008	100.00

*The promoters and public shares were inadvertently mentioned as 2891101 (29.19) and 6527907 (70.81) respectively in the approved scheme on 15.05.2019. The same was rectified by the Board of both the demerged and resulting Companies in their respective meetings held on 17.01.2020.

9.1.3 CLAUSE 4 OF THE SCHEME - TRANSFER AND VESTING

With effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall stand transferred to and be vested in and in the following manner:

- (i) With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, the whole of Demerged Undertaking and its properties, shall pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, title and interest pertaining to the Demerged Undertaking as follows:
- (a) All the movable assets pertaining to the Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property shall vest in Resulting Company on such handing over in pursuance of the provisions of Sections 230-232 of the Act. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company and Resulting Company within 30 days from the approval of the Scheme by the Tribunal.

- writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.
- (b) Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resulting Company and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in Resulting Company, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by Demerged Company in relation to the Demerged Undertaking which shall vest in Resulting Company by virtue of the vesting of the Demerged Undertaking with Resulting Company and there shall not be any obligation to create any further or additional security there after the Scheme has become effective.
- (c) Provided further that all the loans, advances and other facilities sanctioned to Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to Resulting Company and the said loans and advances may be drawn and utilised either partly or fully by the Demerged Company until the Appointed Date. The Scheme sanctioned by the Tribunal and all the loans, advances and other facilities so drawn by Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall upon sanction of the Scheme by the Tribunal be treated as loans, advances and other facilities made available to Resulting Company and all the obligations of Demerged Company in relation to the Demerged Undertaking under the loan agreement shall stand released and discharged and shall become the obligation of Resulting Company without any further act or deed on the part of Resulting Company.
- (vii) Without prejudice to the above and upon sanction of the Scheme by the Tribunal, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies and other Authorities under the Act to give formal effect to the above provisions, if required.
- (ix) It is expressly provided that, save as mentioned in this scheme, no other term and condition contained in the Demerged Undertaking or any instrument or deed by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (x) Subject to necessary consents being obtained in accordance with the terms of this Scheme the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.
- (xi) It is clarified that if any assets, (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements,

schemes, arrangements of other instruments of whatsoever in relation to any of the Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to Resulting Company or to its successor in business, for any reason whatsoever, Demerged Company shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company to which the Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

xii. With effect from the appointed date, the general reserve of the demerged Company pertaining to the demerged undertaking shall become the General Reserves of the Resulting Company.

9.1.4 CLAUSE 5 OF THE SCHEME - REDUCTION IN SHARE CAPITAL OF THE DEMERGED COMPANY TO GIVE EFFECT TO THE DEMERGER

- As a result of Demerger and resultant transfer of the API Intermediates Division to the resulting Company, the issued, subscribed and paid up share capital of the Demerged Company will no longer be represented by the assets of the Demerged Company consequent to the Demerger of the API Intermediates Division. Accordingly, as an integral part of the scheme, and upon the coming into effect of the scheme, the issued, subscribed and paid up equity share capital of the Demerged Company shall be reduced by reducing the face value of the equity shares from (One) equity share of Rs.10/- each fully paid up to (One) equity share of Rs.4.80/- each fully paid up. As a result, the issued, subscribed and paid up share capital of the Demerged Company shall stand reduced from Rs.16,94,04,000/- to Rs.8,13,92,000/- comprising of 1,69,40,400 equity shares of Rs.4.80/- each without any further add or deed.
- Simultaneously, 100 (hundred) equity shares each of Rs.4.80/- shall be consolidated into 48(Forty eight) fully paid up equity share of Rs.10/- each. Due to the reduction in capital of the Demerged Company and the aforesaid consolidation, if a shareholder becomes entitled to a fraction of an equity share of the Demerged Company, the Demerged Company shall not issue fractional share certificates to such member / beneficial owner but shall consolidate such fractions and issue consolidated equity shares to a Committee of the Board to be constituted by the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds(after deduction of expenses incurred) to the shareholders / beneficial owners respectively entitled to the same in proportion to their fractional entitlement.
- The reduction in the Share Capital of the Demerged Company shall be effected as an integral part of the scheme in accordance with the provisions of Section 66 and any other applicable provisions of the Act and the Order of NCLT sanctioning the scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid up share capital, and the provisions of Section 66 of the Act will be applicable. Notwithstanding the reduction in the equity share capital of the Demerged Company, the Demerged Company shall not be required to add

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"And reduced" as suffix to its name.

iv. It is hereby clarified that for the above purpose the consent of the shareholders to the scheme shall be deemed to be sufficient for the purpose of affecting the above amendment and no further resolution under the act, would be required to be separately passed.

Alteration of Authorised Capital of Demerged Company and resulting Company

- As a consequence of the reduction of capital of the Demerged Company, the Authorized share capital of the Demerged company shall be reorganized and shall comprise of 96,00,000 equity shares of Rs.10/- each aggregating to Rs.9,60,00,000/- and the subscribed, issued and paid up capital shall comprise of 81,31,392 new equity shares of Rs.10/- each aggregating to Rs. 8,13,13,920/-.
- The following clauses in the Memorandum and Articles of the Association of the Demerged Company shall stand amended to read as under:
 - Clause V in the Memorandum of Association: "The Authorized Share Capital of the Company is Rs.9,60,00,000/- divided into 96,00,000 equity shares of Rs.10/- each, subject to the provisions of the Companies Act, 2013 with the rights, privileges and conditions attached thereto, to, as are provided by the Articles of Association of the Company for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Association of the Company for the time being".
 - To the extent of reduction in the Demerged Company, the authorized capital of the Demerged Company to the extent of 52% i.e. Rs.10,40,00,000/- shall stand transferred to and merged with the authorized capital of the Resulting Company.
 - "Consequent upon the scheme coming into effect the existing authorized share capital of the Resulting Company of Rs.41,00,00,000/- divided into 4,10,00,000 equity shares of Rs.10/- each is re-organized and shall be Rs.10,81,00,000 divided into 1,08,10,000 equity shares of Rs.10/- each".

The following clauses in the Memorandum and Articles of Association of the Resulting Company shall stand amended to read as under:

Clause V in the Memorandum of Association: "The Authorized Share Capital of the Company is Rs.10,81,00,000/- divided into 1,08,10,000 equity shares of Rs.10/- each. The Company shall have power from time to time to increase, reduce or alter its Share capital and issue any shares in original or new capital as equity or preference shares".

9.1.5 CLAUSE 6 OF THE SCHEME - ISSUE OF SHARES BY THE RESULTING COMPANY

- Upon sanction of the Scheme by the Tribunal, Resulting Company shall without

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any further application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below to the shareholders of Demerged Company, holding shares in Demerged Company and whose names appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the respective Board of Directors in the following proportion:

- 52 Equity share of Rs.10/- each (fully paid-up) of Resulting Company shall be issued and allotted for every 100 (hundred) Equity Shares of Rs.10/- each (fully paid-up) held by the shareholders in Demerged Company amounting to 88,00,008 equity shares of Rs.10/- each.
- The 88,00,008 equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.
- No fractional share(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the New Equity Shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all fractional entitlements and allot New Equity Shares in lieu thereof to the Committee of the Board of the Resulting Company who shall hold the New Equity Shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such Committee shall sell the same in market at such time(s) (not later than 6 months upon sanction of the Scheme by the Tribunal) at such price(s) and to such person(s) as it/they may deem fit, and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/duties/levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.
- Shares to be issued by Resulting Company pursuant to Clause 6.1 in respect of any equity shares held by shareholder of Demerged Company which are held in abeyance under the provisions of Section 120 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.
- In so far as the issue of equity shares pursuant to Clause 6.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Demerged Company in dematerialized form, in the account with the Depository Participant in which the equity shares of Demerged Company are held or such other account with the Depository Participant as is intimated by the shareholder of Demerged Company before the Record Date. All those equity shareholders of Demerged Company who hold equity shares of Demerged Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event

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that Resulting Company has received notice from any equity shareholder of Demerged Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not appear to be correct, the equity shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Demerged Company Share Entitlement Ration, as the case may be, in physical form to such equity Shareholder.

- In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors or any committee thereof of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Demerged Company and in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The Board of Directors of Demerged Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.
- For the purpose as aforesaid the Resulting Company shall, and to the extent required, increase its Authorised Capital after this Scheme has been sanctioned by the NCLT but before the issue and allotment of shares. It shall, also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Resulting Company to the members of the Demerged Company of the Equity shares in the said reorganised share capital of the Resulting Company in the ratio as aforesaid.
- The equity shares already issued by the resulting Company prior to this scheme of arrangement and issued by it, in terms of Clause 6.1 of this Scheme together with the new shares pursuant to this scheme, will be listed and/or admitted to trading on the stock exchange where the demerged Company shares are already listed and traded subject to necessary approval to be obtained from Regulated authorities and all necessary applications and compliances will be made in this respect by Resulting Company.
- Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of the Companies Act, 2013 for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Demerged Company, as provided in this Scheme.
- The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- The equity shares to be issued by Resulting Company shall be subject to the

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Scheme and the Memorandum and Articles of Association of Resulting Company.

- The Resulting Company shall, if and to the extent required, to apply for and obtain any approvals from the concerned Regulated authorities for the issue and allotment by the Resulting Company of new equity shares to the equity shareholders of the Demerged Company.
- Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of Foreign Exchange Management Act, 1999 to enable it to issue shares pursuant to this scheme.
- There shall be no change in the shareholding pattern of Vineet Laboratories Limited between the record date and the listing.

9.1.6 CLAUSE 7 OF THE SCHEME - ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

- All the assets, including but not limited to the fixed assets, intangible and any other assets pertaining to the demerged undertaking, shall be recorded by the Resulting Company at their respective book values.
- All the liabilities pertaining to the Demerged Undertaking shall be recorded by the Resulting Company at their book values.
- In case of any difference in accounting policies between the Demerged Company and the Resulting Company the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.
- Resulting Company shall credit to the Share Capital account in its books of account, the aggregate face value of the shares issued and allotted as per Clause 6 of the Scheme to shareholders of Demerged Company.
- The difference being the excess of the Net Assets Value of the Demerged Undertaking transferred to and recorded by Resulting Company as per Clause i and ii above and the face value of Shares allotted as per Clause 6 of the Scheme above, after considering the adjustments mentioned in Clause ii above, shall be credited to General Reserve of Resulting Company. The shortfall, if any, shall be debited to Goodwill account of Resulting Company.

9.1.7 CLAUSE 8 OF THE SCHEME - ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Upon sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

- Upon sanction of the Scheme by the Tribunal and from the Appointed Date, Demerged Company shall reduce from its books, the book value of assets and liabilities transferred part of the Demerged Undertaking to Resulting Company,

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pursuant to the Scheme.

- The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the General Reserve Account as provided.

9.1.8 CLAUSE 11 OF THE SCHEME - LEGAL PROCEEDINGS

- All legal proceedings of whatsoever nature by or against Demerged Company pending and/or arising before the Scheme becomes Effective upon sanction by the Hon'ble Tribunal and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against Demerged Company.
- After the sanction of the Scheme by the Tribunal, if any proceedings are taken against Demerged Company in respect of the matters referred to in Clause i above, it shall defend the same at the cost of Resulting Company and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.
- Resulting Company undertakes to have all respective legal or other proceedings initiated by or against Demerged Company referred to in Clause i or ii above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company as the case may be, to the exclusion of Demerged Company.

9.1.9 CLAUSE 14 OF THE SCHEME: STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING:

- Upon sanction of the Scheme by the Tribunal, all staff, workmen and employees of Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Date of sanction of the Scheme by the Tribunal shall become the staff, workmen and employees of Resulting Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Demerged Company for the employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the employees related to the Demerged Undertaking being transferred to Resulting Company, in terms of the Scheme shall be transferred to Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and

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permissions and at the discretion of Resulting Company, either be continued as separate funds of Resulting Company for the benefit of the employees related to the Demerged Undertaking or be transferred to and merged with other similar funds of Resulting Company. In the event that Resulting Company does not have its own funds in respect of any of the above, Resulting Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of Demerged Company, until such time that Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Demerged Undertaking shall be transferred to the funds created by Resulting Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Demerged Company and Resulting Company may decide to continue to make the said contributions to all funds of Demerged Company. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

iii. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided by the Board of Directors or Committee thereof of Demerged Company.

9.1.10 CLAUSE 17 OF THE SCHEME - LISTING REGULATIONS AND SEBI COMPLIANCES

- On approval of the Scheme by the NCLT, the Resulting Company shall apply for listing and trading permissions of its Equity Shares in the BSE an NSE and comply with the SEBI Regulations including the Listing Regulations and SCRR in this regard.
- The Demerged Company being a Listed Company shall continue to comply with all the requirements under the Listing Agreement/Regulations and all statutory directives of SEBI in so far as they relate sanction and implementation of this Scheme.
- The Demerged Company in compliance with Listing Agreement/Regulations shall apply for approval of BSE and NSE where the shares are listed, before approaching the NCLT for sanction of this Scheme.
- New equity shares allotted to the Shareholders of the Demerged Company by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is granted by the Stock Exchanges between the date of allotment of Equity shares of the Resulting Company to the shareholders of Demerged Company on the date of Listing of Equity shares of the Resulting Company to the Stock Exchanges.
- The Demerged Company shall also comply with the Directives of SEBI contained in Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

You are hereby requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid is only a part of the

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key provisions of the Scheme.

10. Pre and Post Arrangement (Demerger) Capital Structure

a) The pre and post demerger Capital Structure of the Demerged Company is as follows:

Particulars	Pre Demerger		Post Demerger	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorized Capital				
Equity Shares of Rs.10/- each	2,00,00,000	20,00,00,000	96,00,000	9,60,00,000
Total			Total	
Issued, Subscribed & Paid Up Capital	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity Shares of Rs.10/- each	1,69,40,400	1,69,40,400	81,31,392	8,13,13,920

b) The pre and post demerger Capital Structure of the Resulting Company is as follows:

Particulars	Pre Demerger		Post Demerger	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorized Capital				
Equity Shares of Rs.10/- each	4,10,000	41,00,000	1,08,10,000	10,81,00,000
Total	4,10,000	41,00,000	Total	10,81,00,000
Issued, Subscribed & Paid Up Capital	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity Shares of Rs.10/- each	4,10,000	41,00,000	92,19,008	9,21,90,080

11. Disclosure about effect of compromise or arrangement on material interests of directors, and Key Managerial Personnel (KMP) of the Demerged and the Resulting Company

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of the Demerged Company, where applicable and the Resulting Company and their respective "Relatives" (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Demerged Company or Resulting Company and/or to the extent, the said directors are common directors of the Demerged Company or Resulting Company. The Directors of Demerged Company who are also the directors in Resulting Company are holding more than two percent of the paid-up share capital of Resulting Company along with their relatives/persons acting in concert with them. The "Key Managerial Personnel" in charge of their respective undertakings in the demerged company will continue to serve in their respective undertakings of demerged and resulting company after the scheme of arrangement.

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12. Disclosure about the effect of the compromise or arrangement on the following persons belonging to the Demerged and the Resulting Company:

12.1 **KMP & Directors:** The Scheme of Arrangement, if approved by the appropriate authorities and the Tribunal, shall not have any adverse impact or effect on the Key Managerial Personnel/Directors of the Demerged Company and the Resulting Company (where applicable).

Upon sanction of the Scheme by the Tribunal, all KMP and directors of the Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Date of sanction of the Scheme by the Tribunal shall become the staff, workmen and employees of Resulting Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.

12.2 **Promoter and Non-Promoter Shareholders:** Upon sanction of the Scheme by the Tribunal, Resulting Company shall without any further application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below to the shareholders (promoter and non-promoter shareholders) of Demerged Company, holding shares in Demerged Company and whose names appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the respective Board of Directors in the following proportion:

52 Equity share of Rs.10/- each (fully paid-up) of Resulting Company shall be issued and allotted for every 100 (hundred) Equity Shares of Rs.10/- each (fully paid-up) held by the shareholders in Demerged Company amounting to 88,00,008 equity shares of Rs.10/- each. Therefore, 88,00,008 equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.

48 Equity share of Rs.10/- each (fully paid-up) of Demerged Company shall be issued and allotted for every 100 Equity shares of Rs.10/- each held by shareholders in Demerged Company pursuant to reduction and consolidation of the shares of the demerged Company.

On account of scheme of arrangement (demerger) there will be a change in the capital structure of the Demerged and Resulting Companies and the number of shares and the shareholding pattern of the Demerged Company and Resulting Company before and after the scheme of arrangement are given as para 9.1.2 above.

12.3 **Employees:** No rights of the staff and employees of the Resulting Company are being affected. Upon sanction of the Scheme by the Tribunal, all staff, workmen

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- and employees of Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Date of sanction of the Scheme by the Tribunal shall become the staff, workmen and employees of Resulting Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- 12.4 **Creditors:** The Scheme is expected to be in the best interest of the creditors of the Demerged Company. There are no creditors in the Resulting Company. Under the Scheme, the creditors/liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company, on a going concern basis, at the value appearing in the books of account of the Demerged Company immediately before the Demerger. The liability of the creditors of the Demerged Company under the Scheme, is neither being reduced nor being extinguished. The rights and interests of creditors of the Demerged Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner and all the creditors of the demerged undertaking of the Demerged Company will become the Creditors of the Resulting Company and post the Scheme, the Resulting Company will be able to meet its liabilities as they arise in the ordinary course of business. The financial position of the remaining undertaking of the Demerged Company will not be adversely affected by the Scheme.
- 12.5 **Depositors & deposit trustee:** Not Applicable. As on date, neither the Demerged nor the Resulting Company have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
- 12.6 **Debtenture holders & debtenture trustee:** Not Applicable. As on date, neither the Demerged nor the Resulting Company have any outstanding Debtentures and therefore the effect of the Scheme on any such debtenture holders and debtenture trustee does not arise.
13. The Demerged Company and the Resulting Companies are related parties by virtue of the directorship of the Directors of Demerged Company in Resulting Company and holding more than 2 % of the equity shares along with persons acting in concert with them. This Scheme being a single window clearance for the matters consequential or incidental or otherwise integrally connected with the Scheme, approval of the Scheme by the shareholders of the Companies involved shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Act and any other applicable provisions of the SEBI (LODR) Regulations and further action under the Act, the SEBI (LODR) Regulations or the articles of association of the Companies shall be separately required.

14. **Valuation & Fairness Certificate**
 Since the resulting Company will be issuing shares to all the shareholders of the Demerged Company, a Valuation Report from Mr. M. Madhusudhana Reddy, the Registered Valueran Fairness Opinion from Quintessence Enterprises Private Limited, the SEBI Registered Category I Merchant Banker have been obtained vide their Reports dated 13.04.2019 and 26.04.2019 respectively.
15. **SEBI Regulations and approval of the Stock Exchanges**
 The Demerged Company's equity shares are listed and traded on the BSE Limited ("BSE") bearing ISIN: INE749B010128 Scrip Code: 539287 and on the National Stock Exchange of India Limited ("NSE") bearing Symbol: ORTINLABSS.
 The Demerged and the Resulting Companies have obtained the approval / observations from BSE and NSE vide their letters dated 20.06.2019.
 On approval of the Scheme by the NCLT, the Resulting Company shall apply for listing and trading permissions of its Equity Shares in the BSE and NSE and comply with the SEBI Regulations including the Listing Regulations and SCRR in this regard.
 The Demerged Company being a Listed Company shall continue to comply with all the requirements under the Listing Agreement/Regulations and all statutory directives of SEBI in so far as they relate sanction and implementation of this Scheme.
16. **Details of capital or debt restructuring, if any:** The Scheme does not contemplate any debt restructuring nor are any of the Demerged and Resulting Company undergoing any debt restructuring.
17. In compliance with the provisions of section 232(2)(c) of the Act, the Board of the Demerged and Resulting Company, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the respective Boards is enclosed to this notice from **Annexure 3 to 4**.
18. The audited financials for the financial year ended 31.03.2019 and the unaudited supplementary accounting statement for the six months period ended 30.09.2019 of the Demerged and Resulting Company are enclosed to this notice as **Annexure 5 to 6**, respectively.
19. Certificates issued by the statutory auditors of the Company/in terms of the provisions to Sections 230(7) and 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act enclosed herewith as **Annexure 9**.

20. No winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 have been filed/instituted or are pending against any of the Demerged and Resulting Company.
21. No investigation proceedings have been instituted or are pending in relation to any of the Demerged and Resulting Company under Sections 235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Act.
22. The Demerged and Resulting Company have filed a copy of the Scheme with the Registrar of Companies, Hyderabad, Telangana, pursuant to Section 232(2)(b) of the Act.
23. **Details of approval from regulatory authorities and other government authorities:**
 The Scheme of Arrangement requires the approval / sanction / no objection from the following the regulatory and government authorities:
 a) Registrar of Companies
 b) Regional Director
 c) Official Liquidator
 d) Income Tax Authorities
 e) National Company Law Tribunal
 f) SEBI through Stock Exchanges (NSE & BSE)
- The Companies have already received NOC from BSE and NSE vide their letters dated 20.06.2019. The Companies have also filed the Scheme with the Hon'ble National Company Law Tribunal, Bench at Hyderabad, vide joint company application bearing no CA (CAA) No. 230/230/HDB/2019, Registrar of Companies, Regional Director, Official Liquidator and Income Tax Authorities. The Companies are yet to file the petition before the Hon'ble National Company Law Tribunal, Bench at Hyderabad for obtaining its approval and sanction to the Scheme.
24. **Inspection:**
 Inspection and / or extract by the members of the Company, of the following documents is allowed at the Registered Office of the Company on all working days (except on Saturdays, Sundays and Public Holidays) upto two working days prior to the date of the meeting:
 a) Company Application No. CA (CAA) No. 230/230/HDB/2019, filed by the Demerged and Resulting Company before the Hon'ble National Company Law Tribunal, Bench at Hyderabad.
 b) Certified copy of the order dated 6th day of January, 2020, passed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in the CA (CAA) No. 230/230/HDB/2019.

- c) Resolution passed by the Board of Directors of Demerged Company and Resulting Company approving the Scheme of Arrangement their respective meetings.
- d) Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme")
- e) A certificate issued by Auditors of the Companies to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standard prescribed under Section 133 of the Companies Act, 2013;
- f) Certificates of Incorporation, Fresh Certificates of Incorporation (where applicable) Memorandum and Articles of Association of the Demerged Company and the Resulting Company.
- g) Report adopted by the Board of Directors of the Demerged Company and the Resulting Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders.
- h) Audited Balance Sheet and Profit and Loss account of the Demerged Company and the Resulting Company for the financial year ended on 31.03.2019.
- i) Supplementary Unaudited Accounting Statement of the Demerged Company and the Resulting Company for the period ended on 30.09.2019.
- j) Certificates issued by the Chartered Accountant confirming the Accounting Treatment proposed in the Scheme.
- k) A copy of the Valuation Report issued by the Registered Valuer.
- l) A copy of the Fairness Opinion Certificate issued by Merchant Banker.
- m) A Copy of the Observation Letters issued by BSE and NSE.
- n) Complaints Report submitted by Ortin Laboratories Limited to BSE Limited and National Stock Exchange of India Limited.
- o) Abridged Prospectus of Vineet Laboratories Limited.
- p) Pre and post shareholding pattern of the demerged and resulting company
25. The Scheme of Arrangement, if approved by the Sundry Creditors, shall be approved from the Appointed Date subject to the approval and directions of the Hon'ble National Company Law Tribunal, Bench at Hyderabad.

26. None of the Directors and Key Managerial Personnel of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders / nominee shareholders in general.
27. The resolution set out in the notice is recommended in relation to the approval of the proposed Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting or Transferee Company) and their respective Shareholders and Creditors ("Scheme").
28. This statement may be treated as Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013, read with relevant rules made thereunder.
- SD/-**
B.V. Ram Naresh Kumar
CHAIRPERSON - Tribunal Convened
Meeting of Sundry Creditors of
Ortin Laboratories Limited
- Dated this 20th day of January, 2020**
Hyderabad

- Annexure-1
- SCHEME OF ARRANGEMENT
 IN THE MATTER OF DE-MERGER AND TRANSFER OF
 DEMERGED UNDERTAKING
 BETWEEN
 ORTIN LABORATORIES LIMITED
 (Demerged Company)
 AND
 VINEET LABORATORIES LIMITED
 (Resulting Company)
 AND
 THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**
- (UNDER SECTIONS 230 TO 232 READ WITH SECTIONS 66 OF THE COMPANIES ACT, 2013 AND OTHER PROVISIONS OF THE COMPANIES ACT, 2013 AS APPLICABLE)
- A. PREAMBLE**
 This Scheme of Arrangement ("Demerger") (the "Scheme") is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other relevant provisions of the Act for the demerger of Demerged Undertaking of the Demerged Company (i.e. Ortin Laboratories Limited) into the Resulting Company (i.e. Vineet Laboratories Limited) and reduction of paid up equity share capital of Ortin Laboratories Limited.
- B. DETAILS OF COMPANIES**
- (i) Ortin Laboratories Limited ("Demerged Company") was originally incorporated as a private limited company in the name and style "Ortin Laboratories Private Limited" on 27th day of October, 1995 under the provisions of the Companies Act, 1956 and subsequently converted into a Public Limited Company and the word "private" was deleted from the name of the Company on 23rd January, 1995. The Registered Office of the company is situated at D. No: 1-2-93/29, Ground Floor, Street No.4, Gagan Mahal Colony, Near Bala Sai Temple, Domalguda Hyderabad- 500029, Telangana. The demerged company is engaged in the business of manufacturing complete range of pharmaceutical formulations, API Intermediates, trading of chemicals, surgical and medicines. The Equity Shares of Demerged Company are listed and traded on BSE Limited ("BSE") having Security Code "539287" and National Stock Exchange of India Limited ("NSE") having Symbol "ORTINLABSS". The Corporate Identity Number of the Company is L24110TG1986PLC006885. The PAN of the Company is AAACO2401L.
- (ii) Vineet Laboratories Limited ("Resulting Company") is a public limited company incorporated under the provisions of the Companies Act, 2013, on 10th day of November, 2016 and its registered office is situated at Sy No. 11/A3, Saheb Nagar, Kurdi Vil, Chintal Kurdi, Eshwaramma Nilayam, L B Nagar, Hyderabad Telangana - 500074. The Corporate Identity Number of Resulting Company is U24304TG2016PLC112888. The objects of the Resulting Company enable it to carry on the business of manufacturing of bulk drugs intermediates and API

- Intermediates. The PAN of the Company is AAFCV6969P.
- iii) **the brief details of Scheme of Arrangement (Merger) undergone by the company earlier:**
 In the year 2011, Vineet Laboratories Private Limited (CIN U24239TG2003PTCO04719 - transferor company) headed by Mr. G. Venkata Ramana, with all its assets and liabilities was merged with Ortin Laboratories Limited (CIN L24110TG1986PLC006885 - transferee company) headed by Mr. S. Murali Krishna Murthy, with a swap ratio 17:10, i.e., for every 10 equity shares held by a shareholder in Vineet Laboratories Private Limited, the shareholder of Vineet Laboratories Private Limited got 17 equity shares of Ortin Laboratories Limited. Now, the same set of promoters of Vineet Laboratories Private Limited headed by Mr. G. Venkata Ramana who became promoters of Ortin Laboratories Limited by virtue of merger of Vineet Laboratories Private Limited with Ortin Laboratories Limited are becoming promoters of the Resulting Company, i.e., Vineet Laboratories Limited. Post proposed demerger of the undertaking by Ortin Laboratories Limited and transfer of the undertaking to Vineet Laboratories Limited (resulting company) would be nothing but by and large the status quo ante prior to the earlier merger of Vineet Laboratories Private Limited (transferor company) with Ortin Laboratories Limited (transferee company) is maintained.
- C. RATIONALE**
- (i) This Scheme is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 for transfer by way of demerger of the API Intermediates Division of the Demerged Company (defined as demerged undertaking) of the Demerged Company as a going concern to the Resulting Company, and consequential restructure of its share capital.
- (ii) The Demerged Company has presently 2 (two) Divisions namely Formulations Division and API Intermediates Division. This formulation division is being operated through the Unit I located at Plot No.275 & 278, I.D.A Pashamylaram, Medak Dist, Telangana and the API Intermediates division is being operated through the Unit II located at Sy. No. 300, Malkapur Village, Choutuppal Mandal, Nalgonda District, Telangana. With an objective of achieving operational efficiencies and streamlining its current structure, the Demerged Company proposes to Demerger the API Intermediates Division currently operating through the Unit II to the Resulting Company and the Demerged Company shall continue to carry on the Formulations Division Business.
- (iii) In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by the Demerged Company, the management of Demerged Company has decided to concentrate on, and strengthen its core competencies and have greater focus to create more value for the Formulations Division (as defined hereinafter), in the interest of maximizing the overall shareholder value by demergering the API Intermediates Division to the Resulting Company. The objectives that are intended to be achieved by undertaking the Demerger of the API Intermediates Division and the consequential advantages that would ensue are, inter alia, as follows:

- a) The nature of risk and return involved in the business of API Intermediates Division is distinct from the Formulations Division. Hence, transfer of API Intermediates Division would enable both the divisions to run and operate independently and in a more cohesive manner so as to run more profitably and attract potential collaborators for the future growth and development of business by both the Resulting Company as well as the Demerged Company.
- b) The transfer and vesting of the demerged undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the Companies.
- c) The said transfer of Undertaking would provide greater flexibility and visibility on the operational and financial performance of both the divisions and would provide higher degree of independence as well as accountability.
- (iv) The Board of Directors of the Demerged Company is of the opinion that the Scheme of Arrangement would benefit the shareholders, creditors, employees and other stakeholders of both the Companies.
- (v) This Scheme also provides for various other matters consequential or related thereto and otherwise integrally connected therewith.
- D. OPERATION OF THE SCHEME**
- (i) The Scheme provides for transfer of demerged undertaking to the Resulting Company, according to the applicable provisions of the Act and/or any other applicable laws.
- (ii) The Demerged Company will continue its interests in the Remaining Division as is presently being carried out but with greater focus on growth opportunities.
- (iii) The Resulting Company shall issue and allot equity shares to all the shareholders of the Demerged Company as consideration for the transfer of the Demerged Undertaking, in proportion of their shareholding in the Demerged Company as per the share entitlement ratio.
- (iv) The Equity Shares issued by the Resulting Company to the shareholders of the Demerged Company along with the existing equity shares already issued shall be listed on BSE and NSE in accordance to LODR Regulations.
- (v) The Demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date in accordance of the provision of Sections 230-232 of the Act read with Section 66 of the Companies Act, 2013 and the other provisions of Companies Act, 2013 as may be applicable and shall be in accordance with Section 2 (19A) of the Income Tax Act, 1961, such that:
- (a) all the assets relating to the Demerged Undertaking being transferred by the Resulting Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;

- (b) all the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
- (c) all the assets and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company, on a going concern basis, at the value appearing in the books of account of the Demerged Company immediately before the Demerger.
- (d) the Resulting Company shall issue, in consideration of the Demerger Undertaking, its Equity Shares to the shareholders of the Demerged Company as on the Record Date as per the share entitlement ratio; and
- (e) all the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger.
- (f) the Scheme shall be in compliance with the applicable SEBI Guidelines, Regulations including LODR Regulations, SCRR and the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, any subsequent amendments thereof ("SEBI Circular").
- E. PARTS OF THE SCHEME**
 The Scheme is divided into the following parts:
 Part I - deals with definitions, interpretations and share capital
 Part II - deals with transfer and vesting of demerged undertaking
 Part III - deals with General terms and conditions.
- PART I**
DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL
- 1. DEFINITIONS AND INTERPRETATIONS**
- 1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:
 "Act" means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force.
 "Applicable Laws" means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

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"Appointed Date" means opening business hours of 1st April, 2020 or if the Board of Directors of the demerged company and the resulting company require any other date or the National Company Law Tribunal or other competent authority modifies the appointed date to such other date, then the same shall be the appointed date. The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

"amended the Appointed Date from 01.04.2017 to 01.04.2020 by the Boards of both demerged and resulting companies vide their respective meetings held on 17.01.2020 pursuant to Ministry of Corporate Affairs General Circular No.9/2019.

"Appropriate Authority" means and includes any governmental, statutory, departmental or public body or authority, including RBI, SEBI, BSE, NSE, Registrar of Companies, Regional Director, National Company Law Tribunal, Depositories.

"Articles of Association" means the articles of association of the Demerged Company or as the case may be, the articles of association of the Resulting Companies.

"Board" in relation to each of the Demerged Company and the Resulting Company, as the case may be, means the Board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto.

"Book Value" shall mean the value(s) of assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Demerged Company at the close of business as on the day immediately preceding the Appointed Date.

"Demerged Company" means Ortin Laboratories Limited, a company incorporated under the provisions of the Companies Act, 1956 under CIN: L24110TG1986PLC00885 and having registered office at D. No: 1-2-593/29, Ground Floor, Street No.4, Gagan Mahal Colony, Near Bala Sai Temple, Domalguda Hyderabad-500029, Telangana.

"Demerged Undertaking" means and include

- i) all the business, undertaking, properties, investments and liabilities of whatsoever nature and kind and wherever situated, of the Demerged Company, in relation to and transferred to the API Intermediates Division on going concern basis as are related to the Unit II located at, Sy. No. 300, Malkapur Village, Choutupudi Mandal, Nalgonda District Telangana, together with all its assets and liabilities and shall mean and include (without limitation).
- a) all the movable and immovable properties including plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, freehold/leasehold assets and other contingent assets (whether tangible or intangible) of whatsoever nature in relation to the API Intermediates Division, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, settlements, rights,

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credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, goodwill, other intangibles, individual and other licenses (as mentioned in the Annexure 1 in detail), permits, authorisations, import quotas and other quota rights, right to use and avail of telephones, fax, telecam, facilities and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the API Intermediates Division and approvals of whatsoever nature (including but not limited to benefits of all tax liability, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, etc.) and wherever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the API Intermediates Division as on the Appointed Date. (include all the drug licenses, pharmacy agreements, franchise, sector specific approvals if any)

- b) all the debts, borrowings, obligations and liabilities, whether present or future, whether secured or unsecured, of the Demerged Company in relation to the API Intermediates Division as on the Appointed Date comprising of:
 - (i) all the debts, duties, obligations and liabilities including contingent liabilities which arise out of the activities or operations of the Demerged company in relation to the API Intermediates Division and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date;
 - (ii) the specific loans and borrowings raised, incurred and utilised solely for the activities and operations of Demerged Company in relation to the API Intermediates Division; and
 - (iii) liabilities other than those referred to in sub-clauses (i) and (ii) above and not directly related to the API Intermediates Division, being the amounts of any general or multipurpose borrowings of Demerged Company as stand in the same proportion which the value of assets transferred under this Clause of API Intermediates Division bears to the total value of the assets of the Demerged Company immediately before the Appointed Date;
- c) all intellectual property rights, including trademarks, trade names and the goodwill associated therewith, patents, patent rights, copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how, or any applications for the above, assignments and grants in respect thereof of the Demerged Company in relation to the API Intermediates Division as on the Appointed Date;

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- d) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the API Intermediates Division of the Demerged Company as on the Appointed Date;
- e) all employees of the Demerged Company engaged in the API Intermediates Division; and
- f) any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or may not pertain to the API Intermediates Division or whether it arises out of the activities or operations of the API Intermediates Division or not, shall be decided by the Board of the Demerged Company or any Committee thereof in consultation with the Board of Directors of the Resulting Company.

"Encumbrance" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.

"Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations as applicable to the Scheme.

"Memorandum" means memorandum of association of a Company.

"NCLT/Tribunal" means the National Company Law Tribunal at Hyderabad.

"NSE" means the National Stock Exchange of India Limited.

"Parties" or "Parties to the Scheme" means the Demerged Company and the Resulting Company.

"RBI" means the Reserve Bank of India.

"Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive Equity Shares of the Resulting Company pursuant to this Scheme.

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"Registrar of Companies" means the Registrar of Companies at Hyderabad for the State of Andhra Pradesh and the State of Telangana.

"Remaining Employees" mean all the permanent employees of the Demerged Company other than the Transferred Employees.

"Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking and remaining with the Demerged Company after giving effect to this Scheme.

"Resulting Company" means Vineet Laboratories Limited, a company incorporated under the provisions of the Companies Act, 2013 under CIN: U24304TG2016PLC112888 and having registered office at Sy.No. 11/A3, Saheb Nagar, Kurdu Vili, Chintal Kunta, Eshwaramma Nilayam, L B Nagar, Hyderabad Telangana - 500074.

"SCRR" means Securities Contracts (Regulation) Rules, 1957

"SEBI" means the Securities and Exchange Board of India.

"Scheme", "the Scheme", "this Scheme", "Scheme of Arrangement" means this Scheme of Arrangement in its present form or as may be modified by an agreement between the Parties submitted to the NCLT or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the NCLT or any other Appropriate Authority may direct.

"Share Entitlement Ratio" means, the number of equity shares of Vineet Laboratories Limited (Resulting Company) to which a shareholder of Ortin Laboratories Limited (Demerged Company) would be entitled to in proportion of his existing shares in Ortin Laboratories Limited (Demerged Company).

"Stock Exchanges" means collectively, the BSE and the NSE.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income Tax Act, 1961 and other Applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

- 1.2 In this Scheme, unless the context otherwise requires:
 - (a) words denoting singular shall include plural and vice versa;
 - (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
 - (c) references to the word "include" or "including" shall be construed without limitation;
 - (d) a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;
 - (e) unless otherwise defined, the reference to the word "days" shall mean calendar days;

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- (f) references to dates and times shall be construed to be references to Indian dates and times;
- (g) reference to a document includes an amendment or supplement to or replacement or novation of, that document;
- (h) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL
The share capital of the Demerged Company as on 30th June, 2018, is as under:

Particulars	Amount in Rs.
AUTHORISED SHARE CAPITAL (2,00,00,000 equity shares of Rs.10/- each)	20,00,00,000
SUBSCRIBED, ISSUED AND PAID-UP SHARE CAPITAL (1,69,40,400 equity shares of Rs.10/- each)	16,94,04,000

The equity shares of the Demerged Company are listed on BSE and NSE.

2.2 The Share capital of the Resulting Company as on 30th June, 2018 is as under:

Particulars	Amount in Rs.
AUTHORISED SHARE CAPITAL (4,10,00,000 equity shares of Rs.10/- each)	41,00,00,000
SUBSCRIBED, ISSUED AND PAID-UP SHARE CAPITAL (4,10,00,000 equity shares of Rs.10/- each)	41,00,00,000

2.3 Reclassification of Promoters as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In the pre-demerger scenario, the promoters of M/s Ortin Laboratories Limited consist of two groups. In the post demerger, One group (group-I) will continue as promoters of OLL (demerged company) and the other group (group - II) will become the promoters of Vineet Laboratories Limited (VLL- resulting company) while continuing as shareholders in the public category of OLL. The scheme is designed in such a way that there will not be any common promoters in both the companies. Both the groups independently will handle the management of both the companies as separate set of promoters.

- a) Group I headed by Mr. S. Murali Krishna Murthy and his family members will continue to remain the promoters of Ortin Laboratories Limited after demerger (demerged company).
- b) Group II headed by Mr. G. Venkata Ramana and his family members and associates will exit as promoters from M/s Ortin Laboratories Limited and become the promoters of M/s Vineet Laboratories Limited (resulting company).

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Sl. No	Name of the promoter	Existing Promoter in OLL in Group I	Existing Promoter in VLL	Pre Scheme Shares in VLL	%	Post scheme shares (including pre scheme shares)	%
1	Satyanyarayanaraju Bhupathiraju	Yes	Yes	30000	7.31	287987	3.12
2	A. Srinivas Raju	Yes	Yes	34650	8.44	238819	2.59
3	A Rangaj Raju	Yes	Yes	34650	8.44	192093	2.08
4	A Prabhakar Raju	Yes	Yes	36400	8.88	357205	3.87
5	A Maithali	Yes	Yes	36400	8.88	204521	2.22
6	Venkata Ramana Gaddam	Yes	Yes	51600	12.59	477172	5.18
7	A Anantalakshmi	Yes	No	-	-	105891	1.60
8	Venkata Rama Gaddam	Yes	Yes	51400	12.54	450368	4.89
9	Gaddam Srinivasa Rao	Yes	No	-	-	38233	0.38
10	Gaddam Balaji	Yes	No	-	-	16993	0.18
11	V. Varaprasada Rao	No	Yes	51400	12.54	182083	1.76
12	K. Murti Mohan	No	Yes	50000	12.20	50000	0.54
13	P. Kishore Raju	No	Yes	16750	4.09	16750	0.18
14	P. Venkata Krishnan Raju	No	Yes	16750	4.09	16750	0.18
	Total			410000	100	2872865	28.99

2.4.2. Post-demerger shareholding pattern of OLL (demerged company) i.e., Group I will be as under:

Category	No. of shares	% of demerged paid up capital
Promoters	8,46,018	10.41
Public	72,85,374	89.59
Total	81,31,392	100.00

2.5.1 Pre- Demerger shareholding pattern of Vineet Laboratories Limited (Resulting Company)

The pre demerger shareholding pattern of M/s Vineet Laboratories Limited is given below:

Category	No. of shares	% pre-demerger paid up capital
Promoters	4,10,000	100
Public	0	0
Total	4,10,000	100

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2.5.2 The breakup of the promoter's shareholding covering both the pre and post demerger is given below:

Sl. No	Name of the promoter	Existing Promoter in OLL in Group I	Existing Promoter in VLL	Pre Scheme Shares in VLL	%	Post scheme shares (including pre scheme shares)	%
1	Satyanyarayanaraju Bhupathiraju	Yes	Yes	30000	7.31	287987	3.12
2	A. Srinivas Raju	Yes	Yes	34650	8.44	238819	2.59
3	A Rangaj Raju	Yes	Yes	34650	8.44	192093	2.08
4	A Prabhakar Raju	Yes	Yes	36400	8.88	357205	3.87
5	A Maithali	Yes	Yes	36400	8.88	204521	2.22
6	Venkata Ramana Gaddam	Yes	Yes	51600	12.59	477172	5.18
7	A Anantalakshmi	Yes	No	-	-	105891	1.60
8	Venkata Rama Gaddam	Yes	Yes	51400	12.54	450368	4.89
9	Gaddam Srinivasa Rao	Yes	No	-	-	38233	0.38
10	Gaddam Balaji	Yes	No	-	-	16993	0.18
11	V. Varaprasada Rao	No	Yes	51400	12.54	182083	1.76
12	K. Murti Mohan	No	Yes	50000	12.20	50000	0.54
13	P. Kishore Raju	No	Yes	16750	4.09	16750	0.18
14	P. Venkata Krishnan Raju	No	Yes	16750	4.09	16750	0.18
	Total			410000	100	2872865	28.99

*The post scheme shares of Mr. Venkata Ramana Gaddam and Mrs. Venkata Rama Gaddam were inadvertently mentioned as 468904 (5.09%) and 476972 (5.17) respectively in the approved scheme on 15.05.2019. The same was rectified by the Board of both the demerged and resulting companies in their respective meetings held on 17.01.2020.

As shown in the above table, the existing promoters of Vineet Laboratories Limited (resulting company) who are also existing promoters in Group II of Ortin Laboratories Limited (demerged company) will be the promoters of Vineet Laboratories Limited. In post demerger, the promoters in Group I of Ortin Laboratories Limited will be a part of public shareholders in Vineet Laboratories Limited (Resulting Company). Post demerger shareholding pattern of Vineet Laboratories Limited will be as under:

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Post-scheme shareholding pattern of VLL (resulting company):

Category	No. of shares	% paid up capital after demerger
Promoters*	26,72,865	28.99
Public*	65,46,143	71.01
Total	92,19,008	100.00

*The promoters and public shares were inadvertently mentioned as 2691101 (29.19) and 6527907 (70.81) respectively in the approved scheme on 15.05.2019. The same was rectified by the Board of both the demerged and resulting companies in their respective meetings held on 17.01.2020.

3. COMPLIANCE WITH TAX LAWS

The Scheme has been drawn up to comply with the conditions relating to "demerger" as defined under Section 2(19AA) and other relevant sections of the Income-tax Act, 1961 and accordingly all the Assets and Liabilities pertaining to the demerged undertaking shall be transferred from the demerged company to the resulting company at book values only. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. The power to make such amendments shall vest in the Board of Directors of Demerged Company, which power can be exercised anytime and shall be exercised in the best interest of the companies and their shareholders.

PART II

TRANSFER AND VESTING OF DEMERGED UNDERTAKING AS A GOING CONCERN

4. TRANSFER AND VESTING

With effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in or deemed to be transferred to and vested in Resulting Company, as a going concern and in the following manner:

- 4.1 With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, the whole of Demerged Undertaking and its properties, shall pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or instrument transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company so as to vest in Resulting company all rights, title and interest pertaining to the Demerged Undertaking as follows:

- a) All the movable assets pertaining to the Demerged Undertaking, which are

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capable of being physically transferred including cash on hand, shall be physically delivered over by mutual agreement and delivery, to the extent and intent that the ownership and property therein passes to the Resulting Company on such handing over in pursuance of the provisions of Sections 230-232 of the Act. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company and Resulting Company within 30 days from the approval of the Scheme by the Tribunal.

- b) In respect of other assets other than those referred to sub-clause 4.1.(a) above, pertaining to Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances/recoverables in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Demerged Company shall, issue notices in such form as Resulting Company may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, to be made good to, or be held on account of, Resulting Company as the person entitled thereto, to the end and intent that the right of Demerged Company to recover or realize the same, stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clauses (a) and (b), the same shall be transferred to and vested in and/or deemed to be transferred to and vested in Resulting Company on the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 4.2 With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of Demerged Company pertaining to the Demerged Undertaking under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or deemed to be transferred to Resulting Company to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party in respect of any such transfer by any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 With effect from the Appointed Date and upon sanction of the Scheme by the Tribunal, any statutory licenses, permissions or approvals or consents held by Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company and the benefit of all statutory and Regulated permissions, environmental approvals and consents, registration or other licenses, etc., shall vest in and become available

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to Resulting Company as if they were originally obtained by Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by or Government body, local authority or by any other person or availed of by Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to Resulting Company on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Resulting Company.

- 4.4 The entitlement to various benefits under Incentive Schemes and Policies in relation to the Demerged Undertaking of the Demerged Company shall stand transferred to and be vested in and/or deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements or incentives of any nature whatsoever. Such entitlement shall include (but shall not be limited to) income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs and others and incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the appointed date as if the Resulting Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive Schemes were made available to the Demerged Company.
- 4.5 Since each of the permissions, approval, consents, sanctions, remissions (including remission under income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorisations relating to the Demerged Undertaking, shall stand transferred under the Scheme to the Resulting Company, the Resulting Company shall file the relevant intimations if any, for the file of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- 4.6 It is clarified that all the taxes and duties pertaining to the Demerged Undertaking payable by the Demerged Company, from the appointed date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and are duties, liabilities or refunds and claims of Resulting Company. Accordingly, upon the Scheme becoming effective, the Resulting Company is expressly to file its respective income-tax, income-tax, goods and service tax sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds/credits, pursuant to the provisions of this Scheme.
- 4.7 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

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a) In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Demerged Undertaking are securities for liabilities of the Remaining Undertaking, the same shall, upon the Scheme becoming Effective, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by Demerged Company and shall cease to operate against any of the assets transferred to Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed, agreement or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provisions.

- b) Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resulting Company and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in Resulting Company, provided always that this Scheme shall not operate to enlarge the liability of any loan, deposit or other liability created by Demerged Company in relation to the Demerged Undertaking which shall vest in Resulting Company by virtue of the vesting of the Demerged Undertaking with Resulting Company and there shall not be any obligation to create any further or additional security thereto after the Scheme has become effective.
- c) Provided further that all the loans, advances and other facilities sanctioned to Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to Resulting Company and the said loans and advances may be drawn and utilised either partly or fully by Demerged Company from the Appointed Date till the Scheme is sanctioned by the Tribunal and all the loans, advances and other facilities so drawn by Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall upon sanction of the Scheme by the Tribunal be treated as loans, advances and other facilities available to Resulting Company and all the obligations of Demerged Company in relation to the Demerged Undertaking under the loan agreement shall stand released and discharged and shall become the obligation of Resulting Company without any further act or deed on the part of Resulting Company.
- 4.8 Without prejudice to the above and upon sanction of the Scheme by the Tribunal, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies and other Authorities under the Act to give formal effect to the above provisions, if required.

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4.9 It is expressly provided that, save as mentioned in this scheme, no other term and condition of the liability transferred to the Resulting company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

- 4.10 Subject to necessary consents being obtained in accordance with the terms of this Scheme the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.
- 4.11 It is clarified that if any assets, (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements of other instruments of whatsoever in relation to any of the Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to Resulting Company or to its successor in business, for any reason whatsoever, Demerged Company shall hold such assets, contract, deeds, bonds, agreements, schemes or other instruments of whatsoever in relation to the Demerged Undertaking in trust for the benefit of Resulting Company and the benefit of Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is affected.
- 4.12 With effect from the appointed date, the general reserve of the demerged Company transferred to Resulting Company shall become the General Reserves of the Resulting Company.
5. **REDUCTION IN SHARE CAPITAL OF THE DEMERGED COMPANY TO GIVE EFFECT TO DEMERGER**
- 5.1 As a result of Demerger and resultant transfer of the API Intermediates Division to the resulting Company, the issued, subscribed and paid up share capital of the Demerged Company will no longer be represented by the assets of the Demerged Company consequent to the Demerger of the API Intermediates Division. Accordingly, as an integral part of the scheme, and upon the coming into effect of the scheme, the issued, subscribed and paid up equity share capital of the Demerged Company shall be reduced by reducing the face value of the equity shares from (One) equity share of Rs. 10/- each fully paid up to 1 (One) equity share of Rs.4.80/- each fully paid. As a result, the issued, subscribed and paid up share capital of the Demerged Company shall stand reduced from Rs. 16,94,04,000/- to Rs. 8,13,92,000/- comprising of 1,69,40,400 equity shares of Rs.4.80/- each without any further act or deed.
- 5.2 Simultaneously, 100 (hundred) equity shares each of Rs.4.80/- each shall be consolidated into 48(Forty eight) fully paid up equity share of Rs.10/- each. As to the reduction in capital of the Demerged Company and the aforesaid consolidation, if a shareholder becomes entitled to a fraction of an equity share of the Demerged Company, the shareholder shall not issue fractional share certificates to such member / beneficial owner but shall consolidate such fractions and issue consolidated equity shares to a Committee of the Board to be constituted by the Demerged Company in that behalf, who shall issue such shares and distribute the net sale proceeds(after deduction of expenses

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incurred) to the shareholders / beneficial owners respectively entitled to the same in proportion to their fractional entitlement.

- 5.3 The reduction in the Share Capital of the Demerged Company shall be effected as an integral part of the scheme in accordance with the provisions of Section 66 and any other applicable provisions of the Act and the Order of NCLT sanctioning the scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid up share capital, and the provisions of Section 66 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Demerged Company, the Demerged Company shall not be required to add "And reduced" as suffix to its name.
- 5.4 It is hereby clarified that for the above purpose the consent of the shareholders to the scheme shall be deemed to be sufficient for the purpose of affecting the above amendment and no further resolution under the act, would be required to be separately passed.

Alteration of Authorised Capital of Demerged Company and resulting Company

- (i) As a consequence of the reduction of capital of the Demerged Company, the Authorized share capital of the Demerged Company shall be reorganized and shall comprise of 96,00,000 equity shares of Rs. 10/- each aggregating to Rs. 9,60,00,000 and the subscribed, issued and paid up capital shall comprise of 81,31,392 new equity shares of Rs. 10/- each aggregating to Rs. 8,13,13,920/-.
- (ii) The following clauses in the Memorandum and Articles of the Association of the Demerged Company shall stand amended to read as under:
- a) Clause V in the Memorandum of Association: "The Authorized Share Capital of the Company is Rs. 9,60,00,000 divided into 96,00,000 equity shares of Rs. 10/-each, subject to the provisions of the Companies Act, 2013 with the rights, privileges and conditions therein to, as are provided by the Articles of Association of the Company for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Association of the Company for the time being."
- b) To the extent of reduction in the Demerged Company, the authorized capital of the Demerged Company to the extent of 52% i.e., Rs. 10,40,00,000 shall stand transferred to and merged with the authorized capital of the Resulting Company.
- c) "Consequent upon the scheme coming into effect the existing authorized share capital of the Resulting Company of Rs. 41,00,000 divided into 41,00,000 equity shares of Rs. 10/- each is re-organized and shall be Rs. 10,81,00,000 divided

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into 1,08,10,000 equity shares of Rs. 10/- each".

The following clauses in the Memorandum and Articles of Association of the Resulting Company shall stand amended to read as under:

Clause V in the Memorandum of Association: "The Authorized Share Capital of the Company is Rs. 10,81,00,000 divided into 1,08,10,000 equity shares of Rs. 10/- each. The Company shall have power from time to time to increase, reduce or alter its Share capital and issue any shares in original or new capital as equity or preference shares"

6. ISSUE OF SHARES BY THE RESULTING COMPANY

- 6.1 Upon sanction of the Scheme by the Tribunal, Resulting Company shall without any further application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below to the shareholders of Demerged Company, holding shares in Demerged Company and whose name appear in the Register of Members of the Resulting Company as on the Record Date and such of their heirs, administrators or other legal representatives or other successors in title as may be recognised by the respective Board of Directors in the following proportion:
- o 52 Equity share of Rs. 10/- each (fully paid-up) of Resulting Company shall be issued and allotted for every 100 (hundred) Equity Shares of Rs. 10/- each (fully paid-up) held by the shareholders of Demerged Company amounting to 88,09,008 equity shares of Rs. 10/- each.
- 6.2 The 88,09,008 equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.
- 6.3 No fractional share(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the New Equity Shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all such fractional entitlements and allot New Equity Shares in lieu thereof to Committee of the Board of the Resulting Company who shall hold the New Equity Shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such Committee shall sell the same in market at such time(s) (not later than 6 months upon sanction of the Scheme) by the Tribunal and distribute the proceeds (net of expenses) as it/they may deem fit, and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/duties/fees, if any, to the members entitled to such proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.
- 6.4 Shares to be issued by Resulting Company pursuant to Clause 6.1. In respect of any equity shares held by shareholder of Demerged Company which are held in

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abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.

- 6.5 In so far as the issue of equity shares pursuant to Clause 6.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Demerged Company in dematerialized form, in the account with the Depository Participant in which the equity shares of Demerged Company are held or such other account with the Depository Participant as is intimated by the equity shareholders to Resulting Company before the Record Date. All those equity shareholders of Demerged Company who hold equity shares of Demerged Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event that Resulting Company has received notice from any equity shareholder of Demerged Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required for the details furnished by any member do not permit electronic credit to equity shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Demerged Company Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.
- 6.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors or any committee thereof of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Demerged Company any in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The Board of Directors of Demerged Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in relation to the implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.
- 6.7 For the purpose as aforesaid the Resulting Company shall, and to the extent required, increase its Authorized Capital after this Scheme has been sanctioned by the NCLT but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Resulting Company to the members of the Demerged Company of the Equity shares in the said reorganised share capital of the Resulting Company in the ratio as aforesaid.
- 6.8 The equity shares already issued by the Resulting Company prior to this scheme of arrangement and issued by it, in terms of Clause 6.1 of this Scheme together with the new shares pursuant to this scheme, will be listed and/or admitted to

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trading on the stock exchange where the demerged Company shares are already listed and traded subject to necessary approval to be obtained from Regulated authorities and all necessary applications and compliances will be made in this respect by Resulting Company.

- 6.9 Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 62 & 42 of this Act and the other relevant and applicable provisions of the Companies Act, 2013 for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Demerged Company, as provided in this Scheme.
- 6.10 The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 6.11 The equity shares to be issued by Resulting Company shall be subject to the Scheme and the Memorandum and Articles of Association of Resulting Company.
- 6.12 The Resulting Company shall, if and to the extent required, to apply for and obtain any approvals from the concerned Regulated authorities for the issue and allotment by the Resulting Company of new equity shares to the equity shareholders of the Demerged Company.
- 6.13 Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of Foreign Exchange Management Act, 1999 to enable it to issue shares pursuant to this scheme.
- 6.14 The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.
- 6.15 There shall be no change in the shareholding pattern of Vineet Laboratories Limited between the record date and the listing.

7. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

- Upon sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:
- 7.1 All the assets, including but not limited to the fixed assets, intangible and any other assets pertaining to the demerged undertaking, shall be recorded by the Resulting Company at their respective book values.
- 7.2 All the liabilities pertaining to the Demerged Undertaking shall be recorded by the Resulting Company at their book values.
- 7.3 In case of any difference in accounting policies between the Demerged Company and the Resulting Company the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

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7.4 Resulting Company shall credit to the Share Capital account in its books of account the aggregate face value of the shares issued and allotted as per Clause 6.1 of the Scheme to the shareholders of Demerged Company.

7.5 The difference being the excess of the Net Assets Value of the Demerged Undertaking transferred to and recorded by Resulting Company as per Clause 7.1 and 7.2 above and the face value of shares allotted as per Clause 6.1 above, after considering the adjustments mentioned in Clause 7.3 above, shall be credited to General Reserve of Resulting Company. The shortfall, if any, shall be debited to Goodwill account of Resulting Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- Upon sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:
- 8.1 Upon sanction of the Scheme by the Tribunal and from the Appointed Date, Demerged Company shall reduce from its books, the book value of assets and liabilities transferred part of the Demerged Undertaking to Resulting Company, pursuant to the Scheme.
- 8.2 The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the General Reserve Account as provided.
9. **CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**
- 9.1 Demerged Company in respect of the Demerged Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Resulting Company. Demerged Company hereby undertakes to hold the said assets with utmost prudence until the Scheme is sanctioned by Hon'ble Tribunal.
- 9.2 With effect from the Appointed Date, all the profits or income accruing or arising to Demerged Company in respect of the Demerged Undertaking or expenditure or losses arising to or incurred by Demerged Company in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of Resulting Company.
- 9.3 Demerged Company in respect of the Demerged Undertaking shall carry on the business and activities with utmost prudence and shall not be deemed to be and shall not incur any liability or be bound by or be liable to the prior written consent of Resulting Company, alienate, charge, mortgage, encumber or encumber or otherwise deal with or dispose-off the Demerged Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Demerged Undertaking or a substantial expansion of the Demerged Undertaking.
- 9.4 Demerged Company shall not vary the terms and conditions of service of the

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employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Resulting Company.

10. DECLARATION OF DIVIDEND

10.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Demerged Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.

10.2 Demerged Company shall not utilise the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of falling on or after the Appointed Date, without the prior written consent of the Board of Directors of Resulting Company.

11. LEGAL PROCEEDINGS

11.1 All legal proceedings of whatsoever nature by or against Demerged Company pending and/or arising before the Scheme becomes Effective upon sanction by the Hon'ble Tribunal and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way judicially effected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against Demerged Company.

11.2 After the sanction of the Scheme by the Tribunal, if any proceedings are taken against Demerged Company in respect of the matters referred to in Clause 11.1 above, it shall defend the same at the cost of Resulting Company and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.

11.3 Resulting Company undertakes to have all respective legal or other proceedings initiated by or against Demerged Company referred to in Clause 11.1 or 11.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company as the case may be, to the exclusion of Demerged Company.

12. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

12.1 Notwithstanding anything to the contrary contained in contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect upon sanction of the Scheme by the Tribunal and relating to the Demerged Undertaking, shall continue in full force and effect after the Appointed Date and may be enforced effectively by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been

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a party thereto.

12.2 The Resulting Company, at any time after sanction of the Scheme by the Tribunal, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, notations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which Demerged Company is a party or any writings as may be necessary to be executed in order to give full effect to the above provisions. Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Demerged Company.

12.3 Even after sanction of the Scheme by the Tribunal, the Resulting Company shall, as its own right, be entitled to realise all monies and complete and enforce all pending contracts and transactions pertaining to the Demerged Undertaking, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the third parties.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against Resulting Company above shall not affect any transaction or proceedings already concluded in Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the sanction of the Scheme by the Tribunal, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company, in relation to the Demerged Undertaking in respect thereto as done and executed on their behalf.

14. STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING

14.1 Upon sanction of the Scheme by the Tribunal, all staff, workmen and employees of Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Date of sanction of the Scheme by the Tribunal shall become the staff, workmen and employees of Resulting Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.

14.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Demerged Company for the employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the employees related to the Demerged Undertaking being transferred to Resulting Company, in terms of the Scheme shall be transferred to Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner

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provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Resulting Company, either be continued as separate funds of Resulting Company for the benefit of the employees related to the Demerged Undertaking or be transferred to and merged with other similar funds of Resulting Company. In the event that Resulting Company does not have its own funds in respect of any of the above, Resulting Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of Demerged Company, until such time that Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Demerged Undertaking shall be transferred to the funds created by Resulting Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Demerged Company and Resulting Company may decide to continue to make the said contributions to the Funds of Demerged Company. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

15. REMAINING UNDERTAKING OF DEMERGED COMPANY

15.1 It is clarified that, the Remaining Undertaking of the Demerged Company shall continue as follows:

a) The Remaining Undertaking of Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by Demerged Company;

b) All legal and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the date of sanctioning the Scheme by the Tribunal and relating to the Remaining Undertaking of Demerged Company (including those relating to any property right, power, liability, obligation or duty of Demerged Company in respect of the Remaining Undertaking of Demerged Company) shall be continued and enforced by or against Demerged Company.

15.2 With effect from the Appointed Date

a) Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of Demerged Company for and on its own behalf;

b) All profit accruing to Demerged Company thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit or losses, as the case may be, of Demerged Company.

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16. TAX CREDITS

16.1 Resulting Company will be the successors of Demerged Company vis-a-vis the Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-a-vis the Demerged Undertaking and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by Resulting Company as the case may be deemed to be the obligations of Resulting Company. Consequently, and as the Scheme does not contemplate removal of any asset by Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

16.2 With effect from the Appointed Date and Upon sanction of the Scheme by the Tribunal, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertaking including all or any refunds/credits/claims relating thereto shall be treated as the assets/liability or refunds/credits/claims, as the case may be, of Resulting Company.

16.3 Demerged Company and Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates / returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertaking of Demerged Company as vested with Resulting Company upon sanction of the Scheme by the Tribunal, and its right to make such revisions in the related tax returns and related certificates as applicable and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

PART III

GENERAL TERMS AND CONDITIONS

17. LISTING REGULATIONS AND SEBI COMPLIANCES

17.1 On approval of the Scheme by the NCLT, the Resulting Company shall apply for listing and trading permissions of its Equity Shares in the BSE an NSE and comply with the SEBI Regulations including the Listing Regulations and SCRR in this regard.

17.2 The Demerged Company being a Listed Company shall continue to comply with all the requirements under the Listing Agreement/Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of this Scheme.

17.3 The Demerged Company in compliance with Listing Agreement/Regulations shall apply for approval of BSE and NSE where the shares are listed, before approaching the NCLT for sanction of this Scheme.

17.4 New equity shares allotted to the Shareholders of the Demerged Company by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is granted by the Stock

ORTIN LABORATORIES LIMITED

Exchanges between the date of allotment of Equity shares of the Resulting Company to the shareholders of Demerged Company on the date of Listing of Equity shares of the Resulting Company to the Stock Exchanges.

17.5 The Demerged Company shall also comply with the Directives of SEBI contained in Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

18. GENERAL TERMS

18.1 It is clarified that all the taxes paid by the Demerged Company, relating to the demerged undertaking from the appointed date onwards including all or any refunds and claims, for all purposes, be treated as the tax liabilities or refunds and claims on the Resulting Company. Accordingly, upon the Scheme become effective, the Resulting Company is expressly permitted to revise its VAT and Sales tax returns, Excise and/or CENVAT Returns, other tax returns and to claim refunds/credits, pursuant to the provisions of this Scheme, if any.

18.2 In accordance with the CENVAT Rules framed under the Central Excise Act, 1944, as are prevalent on the effective date, the unutilised Credits relating to the Excise Duties paid on inputs/capital goods lying to the account of the Demerged Company, if any, shall be permitted to be transferred to the Credit of the Resulting Company, as all such unutilised credits were lying in the Account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilised credits against the Excise Duty payable by it.

18.3 Upon the Scheme coming into effect, all the taxes paid (including TDS) by the Demerged Company from the appointed date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company as effectively as if the Resulting Company had paid the same.

19. APPLICATIONS TO NATIONAL COMPANY LAW TRIBUNAL

19.1 Each of the Demerged Company and the Resulting Company shall with all reasonable diligence, make all necessary applications under Section 230 to 232 of the said Act and other applicable provisions of the Act, to the NCLT seeking orders for dispensing with or converting, holding and conducting of the Meetings of the respective classes of members and/or creditors of each of the Demerged Company and the Resulting Company as may be directed by the NCLT.

19.2 On the Scheme being agreed to by the requisite majority of the classes of the members and/or creditors of the Demerged Company and the Resulting Company as directed by the NCLT, the Demerged Company and the Resulting Company shall, with all reasonable diligence, apply to the NCLT for sanctioning the composite Scheme of Arrangement under Sections 230 and 232 of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying the Scheme into effect.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

20.1 The Demerged Company and Resulting Company (by their respective Board of

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Directors or any duly authorised Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) of or any conditions or limitations in the Scheme which the NCLT or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for carrying out the Scheme and do all such acts, deeds and things as may be necessary for putting the Scheme into effect.

20.2 The Demerged Company and Resulting Company (by their respective Board of Directors or any duly authorised Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modifications to this Scheme involving withdrawal of any of the parties to this Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Committee thereof of the Demerged Company or by the Board of Directors or by its Committee thereof of the Resulting Company, who are hereby authorised to take such steps and do all such acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme or to resolve any doubt, difficulties or questions whether by or on orders of the NCLT or of any director or orders of any other authorities or otherwise how so ever.

20.3 Arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith, the Board of Directors of the Demerged Company hereby expressly authorises the Board of Directors of the Resulting Company for the aforesaid purpose.

21. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

This Scheme is and shall be conditional upon and subject to:

a) The Scheme being approved by the requisite majority of shareholders and creditors of the Demerged Company and the shareholders of the Resulting Company as per the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013

b) The Scheme being approved by the High Court, whether with any modification(s) or amendment(s) as the NCLT may deem fit or otherwise.

c) The sanction or approval of all persons or authorities concerned under any law or statute of Central Government, Stock Exchanges or any other agency, department or authorities concerned, being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

d) Requisite approvals of RBI being obtained if necessary, under the provisions of FEMA, 1999 for issue of equity shares of the Resulting Company for the non-residential shareholders of the Demerged Company.

e) The approval of the public shareholders of the Demerged Company through

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postal ballot and e-voting after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and such resolution shall be acted upon if only the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by public shareholders against it. The term "public" shall carry the same meaning as defined under Rule 2 of Securities Contract (Regulation) Rules, 1957.

f) The certified or authenticated copies of the Orders of the NCLT being filed with the Registrar of Companies of Andhra Pradesh and Telangana, Hyderabad under Sections 230 to 232 and other applicable provisions of the Act, the requisite resolutions under the applicable provisions of the said Act passed by the shareholders of the Resulting Company for any of the matters provided for or relating to the Scheme may be necessary or desirable.

22. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Demerged Company and the Resulting Company in relation to or in connection with the Scheme and of carrying out and complete the terms and provisions of the Scheme and/or incidental to the completion of the arrangement between the Demerged Company and the Resulting Company, in pursuance of the Scheme shall be borne by the respective Companies.

S.No.	Name of the License/Permission/certificates	Department
1	LABOUR LICENSE	NALGONDA
2	INSPECTOR OF FACTORIES	NALGONDA
3	FIRE	CHOUTUPPAL
4	BOILER	NALGONDA
5	ACETIC N HYDRADE	CHENNAIBANGLORE
6	LIQUID NITROZEN	NAGPUR HYDERABAD
7	EXPLOXIVE	NAGPUR HYDERABAD
8	ETHANOL	RAMANAPET,NALGONDA
9	METHANOL	RAMANAPET,NALGONDA
10	N-HEXANE	DIST COLLECTOR OFFICE
11	TN POLLUTION CONTROL BOARD	HYDERABAD
12	PANCHYATH (LAND AND AC)	MALKAPUR
13	ELECTRICAL	RAMANAPET,NALGONDA
14	ISO 9001- CERTIFICATE	HYDERABAD
15	PROVIDENT FUND	HYDERABAD
16	ESI	HYDERABAD
17	IEC	HYDERABAD
18	C.EXCISE/SERVICE TAX	HYDERABAD
19	RAMKEY(POLLUTION)	HYDERABAD

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Annexure-2

NCLT, Hyderabad Bench
LA/CAN/A/ 219/2019(DO/2019)

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

CA/CAA/No. 239/2019 (D/2019)

Application filed under Sections 230 to 232 read with Section 66 of the Companies Act, 2013

Date of Pronouncement of Order: 06.01.2020

ORISE

1. The present Company Applications bearing CA/CAA/No.239/2019(DO/2019) are jointly filed by Ortin Laboratories Limited (hereinafter "Company") and Visent Laboratories Limited (hereinafter "Company's") under Section 230 to 232 read with Section 66 of the Companies Act, 2013 (the

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NCLT, Hyderabad Bench
CA/CAA/No. 239/2019(DO/2019)

Act) and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as "the Rules"); the Applicant Companies inter-alia seeking an order to dispense with convening of the meetings of the Second and Unsecured Creditors of both the Applicant Companies. Further, dispense with convening the meeting of the Equity Shareholders of the Resulting Company. It is also prayed to direct to convene the meeting of the Equity Shareholders and Secured Creditors of the Demerged Company for sanctionation of the Scheme of Arrangement ("the Scheme"); between applicant Companies and their respective shareholders and creditors as envisaged under the said Scheme.

2. The Registered Office of the Applicant Companies are situated in the State of Telangana and therefore within the jurisdiction of the Tribunal.

3. Brief facts leading to the filing of present case are as follows:

I. In respect of Demerged Company:

The Authorized Share Capital of the Demerged Company on 31.03.2019 was Rs.20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up Share Capital in Rs.16,94,04,000/- (Rupees Sixteen Crores Ninety Four Lakhs and Four Thousand) divided into 1,69,40,400 equity shares of Rs.10/- each. The main objects of the Company are to carry on business of manufacture, process, import, export, sale and otherwise deal in all types of chemicals such as Heavy, Fine, Industrial, Pharmaceutical, Organic, Inorganic and Aromatic chemicals etc.

II. In respect of Resulting Company:

The Authorized Share Capital of the Resulting Company as on 31.03.2019 was Rs.41,00,00,000/- (Rupees Forty Lakhs) divided into 4,10,00,000 equity

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shares of Rs.10/- each. The issued, subscribed and paid-up Share Capital is Rs.41,00,000/- (Rupees Forty Lakhs) divided into 4,10,000 equity shares of Rs.10/- each. The main objects of the Company are to carry on business as traders, manufacturers, exporters, importers, contractors, agents, distributors of Drugs, Bulk Drugs, Medicines, Dyes and other intermediaries and Pharmaceuticals of every description and application with indigenous and/or imported technology, pharmaceutical formulations like liquids, capsules, tablets, powders, mixtures, antibiotics enzymes and fluids of every description, all intermediates and byproducts of any of the above, surgical and health aids of varied nature like syringes, gloves, surgical & sanitary towels, napkins, pharma based cosmetics, etc.

4. According to the Applicant Companies the Demerged Company is engaged in two distinct lines of business namely Formulations Division and API Intermediates division. The Formulations division is being operated through the Unit located at Medak District, Telangana, whereas, API Intermediates division is being operated through Unit II located near Nalgonda District, with an objective of achieving operational efficiencies and streamlining its business structure, the Demerged Company proposed to demerge the API Intermediates division currently operating through the Unit II to the Resulting Company and the Demerged Company shall continue to carry on the formulations Division Business. The main benefits of the Scheme are as under:

a) It will enable both the divisions of the Demerged Company to run and operate independently and in a more cohesive manner so as to run more profitably and attract potential collaborations for the future growth and development of business by both the Applicant Companies.



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b) It will provide greater flexibility and stability on the operational and financial performance of both the divisions and would provide higher degree of independence as well as accountability.
c) It will unlock the economic value of both the companies.

5. It is further stated that the Board of Directors of the Applicant Companies, in their respective Board Meetings held on 14.08.2019 approved the Scheme subject to the approval of their members and Hon'ble NCLT, Hyderabad Bench.

6. It is stated that there are no proceedings pending under Sections 210 to 227 of the Companies Act, 2013 against the Applicant Companies.

7. The Demerged Company has filed certificate of Practising Company Secretary (refer Page No.6 of Memo filed on 27.11.2019) stating that as on 30.06.2019 there are six thousand four hundred and fifty seven (6457) Equity Shares held by 1,99,49,490 shares in the Demerged Company.

The Demerged Company has filed certificate of Statutory Auditor (refer page No.156 and 157 of the Petition) stating that as on 30.06.2019 there are three lakh (3) Lakh Crores together having debt of Rs. 16,24,34,525/- Out of which one (1) Secured Creditor (i.e. Karanika Bank Limited) having a debt of Rs.17,36,01,235/- constituting 95.51% of total Secured Creditor has given its consent to the proposed Scheme (refer page No.207 of the petition).

8. The Demerged Company has filed certificate of Statutory Auditor (refer page No.196 of the Petition) stating that as on 31.08.2019 there are thirty six



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(36) Unsecured Creditors together having debt of Rs.2,96,47,899/- Out of which Thirty Four (34) Unsecured Creditor together having a debt of Rs.2,81,91,854/- constituting 95.09% of total Unsecured Creditors have given their consent to the proposed Scheme (refer page No.208 to 241 of the Petition).

18. The Demerged Company has filed certificate of Statutory Auditor (refer Page No.199 to 206 of the petition) stating that as on 31.08.2019 there are three hundred and fourteen (314) Secured Creditors together having debt of Rs.50,331,165/-.

11. The Demerged Company has filed certificate of Statutory Auditor (refer page No.161 of the petition) stating that as on 30.06.2019 there are eleven (11) Equity Shareholders in Resulting Company and they have given their consent to the proposed Scheme (refer page Nos.180-186 of the petition).

Resulting Company has filed certificate of Statutory Auditor (refer No.243 of the petition) stating that as on 30.06.2019 there are three Secured Creditors and Unsecured Creditors in the Resulting Company.

13. Heard the submissions made in this regard by Counsel for the Applicant Companies and perused the documents filed thereto.

14. It is noted that all the equity shareholders of the Resulting Company have given consent affirming its approval to the proposed Scheme and hence no need to direct the Resulting Company to hold meeting of Equity Shareholders and the same is dispensed with.



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15. It is noted that 93.51% of the Secured Creditors of the Demerged Company have given their consent to the Scheme and hence no need to direct the Demerged Company to hold meeting of Secured Creditors and the same is dispensed with.

16. It is noted that 95.09% of the Unsecured Creditors of the Demerged Company have given their consent to the Scheme and hence no need to direct the Demerged Company to hold meeting of Unsecured Creditors and the same is dispensed with.

17. It is noted that all the Secured and Unsecured Creditors in the Resulting Company and hence no need to direct the Resulting Company to hold meetings of the Secured and Unsecured Creditors.

With regard to the Equity Share Holders and Secured Creditors of the Demerged Company, this Tribunal passes the following order:-

A meeting of the Secured Creditors of the Demerged Company shall be held on 26.02.2020 at 10.30 AM at Hotel Mevra Barapatti, 8-113(A), Kothapet, Hyderabad - 50003, Telangana for the purpose of considering and if thought fit, approving with or without modification(s) the arrangement proposed in the Scheme.

1) Shri B. Ram Narayana Kumar, Advocate (Mobile No. 9391309770 & 8142299772) shall be the Chairman for the meeting of Secured Creditors and in respect of any adjournment thereof.

2) Ms B. Pranjitha, Advocate (Mobile No. 9908401608) is appointed as the Scrutinizer for the aforesaid meeting and in respect of any adjournment thereof.



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4) A meeting of the Equity Shareholders of the Demerged Company shall be held on 26.02.2020 at 11.00 AM Hotel Mevra Barapatti, 8-113(A), Kothapet, Hyderabad - 50003, Telangana for the purpose of considering and if thought fit, approving with or without modification(s) the arrangement proposed in the Scheme.

5) Shri Amir Ali Bawa, Advocate (Mobile No. 9949216962) shall be the Chairman for the meeting of Equity Shareholders and in respect of any adjournment thereof.

6) Ms. Vanalakshmi, PCS (Mobile No. 900087444) is appointed as the Scrutinizer for the aforesaid meeting in respect of any adjournment thereof.

7) The remuneration of Chairman is fixed at Rs.1,00,000/- (Rupees One Lakh only) for each meeting and remuneration of the scrutinizer is fixed at Rs.75,000/- (Rupees Seventy Five Thousand only) for each meeting.

8) At least one month before 26.02.2020 i.e. the date of the aforesaid meetings an advertisement containing the date, time, place and date, as aforesaid, shall be published in Business Standard (in English) and in News Telangana (in Telugu). The publication shall indicate the time within which copies of scheme shall be made available to the concerned persons free of charge from the registered office of the Resulting Company. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Section 229 to 232 of the Act and the prescribed form of proxy can be obtained free of charge at the registered office of the Resulting Company or at the office of its Counsel (i.e. Mr. V. Suryanarayana, Advocate, Flat No.106, Nizam Towers 2ND, Near Sai Baba Temple, Dwarakapuri Colony, Panjagutta,



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Hyderabad - 500 082 in accordance with second proviso to sub-section (3) of Section 120 and Rule 7 of the Companies (CAA) Rules, 2016.

9) The Chairman appointed for the aforesaid meetings shall issue the advertisements and send out the notices of the meeting referred to above. The Chairman is free to avail the services of the Resulting Company or any agency for carrying out the aforesaid directions. The Chairman shall have all the powers under the Articles of Association of the Resulting Company and also under the Rules in relation to the conduct of the meeting, including the deciding any procedural questions that may arise at the meeting or adjournment(s) to the aforesaid matters or resolutions, if any, proposed at the aforesaid meeting by any person(s) and to ascertain the decision of the aforesaid meeting by ballot/polling paper at the venue of the meeting.

10) Quantum for the meeting shall be as per Provisions of Section 103 of the Companies Act, 2013.

11) Voting by proxy/authorized representatives is permitted provided that the proxy in the prescribed form/authorized duly signed by the person entitled to attend and vote at the aforesaid meeting is filed with the Resulting Company or its Registrar Office (i.e. by No.11(A), Saket Nagar, Kalyani Vihar, Chaitanyapuri, Edlavartham Nityan, L.B. Nagar, Hyderabad - 500 034, not later than 48 hours before the meeting vide Rule 10 of the Companies (CAA) Rules, 2016 read with Section 105 of the Act.

12) The Chairman to file an Affidavit not less than 7 (seven) days before the date fixed for the holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and



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Advertisement of the meeting have been duly complied with as per Rule 12 of the Companies (CAA) Rules, 2016.

18) It is further ordered that the Chairman shall report to this Tribunal of the result of the meeting in Form No. CAA-4, duly verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 within seven working days.

19) In compliance of sub-section(5) of Section 120 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, all the applicant companies shall send notice under sub-section (3) of Section 220 read with Rule 9 of the Rules with a copy of the Scheme, the explanatory statement and the documents mentioned in Rule 6 to (8) the Central Government through the Regional Director, South Eastern Region; (3) the Registrar of Companies, Telangana; (5) the Income Tax Authorities; (6) the Official Liquidator; and (7) SEBI. The said notices to be sent either by Registered Post or by Speed Post or by Hand Delivery at the Offices of the authorities as required by sub rule (2) of Rule 8 of the Rules. The aforesaid authorities, who desire to make any representation under sub-section (5) of section 220 shall send the same to this Tribunal within a period of 30 (thirty) days from the date of receipt of such notice, failing which it shall be deemed that they have no representation to make on the proposed Scheme.



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ANNEXURE-3
REPORT APPROVED BY THE BOARD OF DIRECTORS OF ORTIN LABORATORIES LIMITED REGARDING ONERATION/REORGANIZATION, BY ITS MEMBERS HELD ON WEDNESDAY, 14.08.2019 AT 08.00 P.M. AT B. NO. 24-143/19, DEWATI, COL. BARAKHATA, HANAM, ANANTAPUR, HYDRABAD - 500087

1. Mr. S. Srinivas Kumar	Chairman
2. Mr. Srinivas Kumar	Member
3. Mr. Srinivas Kumar	Member
4. Mr. Srinivas Kumar	Member
5. Mr. Srinivas Kumar	Member
6. Mr. Srinivas Kumar	Member
7. Mr. Srinivas Kumar	Member
8. Mr. Srinivas Kumar	Member
9. Mr. Srinivas Kumar	Member
10. Mr. Srinivas Kumar	Member
11. Mr. Srinivas Kumar	Member

Mr. Srinivas Kumar - Chairman/Ternary & Compliance Officer

1. Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company) and Orin Laboratories Limited (Resulting Company) and their respective Shareholders and Creditors (Scheme), was approved by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company on 14.08.2019, for the purpose of Diversion of all Intermediates Division of the Demerged Company/Orin Laboratories Limited (Resulting Company) to a new company to be formed vide Form 102 (Form of Scheme, The Scheme and Statement) being the approved date.

2. The Board of Directors of the Companies took note of the resolutions made in the Scheme in view of the observations made by NCLT and their letter dated 20.08.2019 by passing a resolution in the Board Meeting held on 14.08.2019 according to which no amendments/modifications have been carried out at appropriate places in the Scheme.

For Ortin Laboratories Limited: Srinivas Kumar, Chairman/Ternary & Compliance Officer

1. This report is being adopted pursuant to the resolution of section 232(2) of the Companies Act, 2013, in compliance to the equity shareholders of the Company. This report explains the effect of the Scheme of Arrangement on equity shareholders, financial position, promoters and non promoters shareholders/creditors and in particular the share exchange ratio.

4. The Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company) and Orin Laboratories Limited (Resulting Company) and their respective Shareholders and Creditors (Scheme), was approved by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company on 14.08.2019, for the purpose of Diversion of all Intermediates Division of the Demerged Company/Orin Laboratories Limited (Resulting Company) to a new company to be formed vide Form 102 (Form of Scheme, The Scheme and Statement) being the approved date.

Demerged Company (Orin Laboratories Limited): 44 Equity Shares of Rs. 10/- each (fully paid up) of Demerged Company shall be issued in lieu of 200 Equity Shares of Rs. 10/- each held by Shareholders in Demerged Company pursuant to divestiture and consolidation of the assets of the Demerged Company.

Resulting Company (Orin Laboratories Limited): 52 Equity Shares of Rs. 10/- each (fully paid up) of Resulting Company shall be issued and allotted for every 100 (hundred) Equity Shares of Rs. 10/- each held and held by the shareholders in Demerged Company amounting to 5200 (five thousand two hundred) Equity Shares of Rs. 10/- each.

NOTE: 1. There is no compulsory shareholding. 2. Upon sanction of the Scheme by the Hon'ble Tribunal and after separate authorities and on transfer of the aforesaid assets to the Resulting Company, the assets, collected and paid up to the credit of the Demerged Company shall be realized by including the full value of the equity



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Report on Other Legal and Regulatory Requirements

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

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

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

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(1) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Satishkumar C. Co., Chartered Accountants Firm Reg No. 0033333

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

Place: Hyderabad Date: 30-05-2019

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

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

- (i) Inspectors of Fixed Assets: a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets. b. As per the information and explanation given to us, the Fixed Assets of the company have been physically verified by the management according to the phased programme, which is designed to cover all the Fixed Assets, at reasonable intervals and the said programme is considered reasonable, and no material discrepancies were noticed on such verification. c. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
(ii) Inspectors of Inventories: a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
(iv) According to the information given to us, the company has not given any loans, has not done any investment, nor given any guarantees and provided securities which are covered u/s 185 and 186 of the Companies Act, 2013. Hence this clause is not applicable.
(v) According to the information and explanation given to us, the company has not accepted deposits within the meaning of the provisions of sections 73 to 75, of the Companies Act, and the rules framed there under; therefore the provisions of this clause is not applicable to the Company.
(vi) Informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
(vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax (GST), cess and any other statutory dues with the appropriate authorities.



- (b) According to the information and explanation given to us, there are no due payable on account of income tax or sales tax or wealth tax or duty of customs or duty of excise or value added tax Goods and Service Tax (GST), or cess pertaining to any dispute with the relevant authorities other than those mentioned in the notes to accounts.
(c) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank, Government or dues to debenture holders.
(d) According to the information and explanation given to us, the company has not entered by way of public offers including debt instruments nor has the company taken any term loans.
(e) Based on the audit procedures applied and according to the information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the year under audit.
(f) The Managerial Remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
(g) The company is not a Nidhi Company.
(h) According to information given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(i) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(j) The company has not entered into any non-cash transactions with directors or persons connected with them.
(k) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Satishkumar C. Co., Chartered Accountants Firm Reg No. 0033333

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

Place: Hyderabad Date: 30-05-2019

Annexure - B to INDEPENDENT AUDITOR'S REPORT

given under the Financial Statements of ORTIN LABORATORIES LIMITED

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

We have audited the internal financial controls over financial reporting of M/s ORTIN LABORATORIES LIMITED, Limited ("the Company") as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company consisting 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.

Auditor's 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the independent auditor's report on 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 Satishkumar C. Co., Chartered Accountants Firm Reg No. 0033333

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

Place: Hyderabad Date: 30-05-2019



Balance Sheet as at Year Ended 31.03.2019

Table with columns: Particulars, Note No., 2019, 2018. Rows include ASSETS (Non-current assets, Current assets, Investments, Loans, EQUITY AND LIABILITIES (Shareholders' Equity, Liabilities)) and totals for 2019 and 2018.

The accompanying Significant accounting policies and notes form an integral part of the financial statements. For and on behalf of the Board, S. S. Prakash, Proprietor, Firm Reg No. 0033333.

Statement of Profit & Loss for Year Ended 31.03.2019

Table with columns: Particulars, Note No., 2019, 2018. Rows include Revenue (Revenue from operations, Other income), Expenses (Cost of materials consumed, Changes in inventories, Depreciation/amortization expense, Other expenses), Profit before exceptional items, Exceptional items, Profit for the period, Other comprehensive income (OCI), Total comprehensive income for the year, Earnings per share (EPS).

The accompanying Significant accounting policies and notes form an integral part of the financial statements. For and on behalf of the Board, S. S. Prakash, Proprietor, Firm Reg No. 0033333.

Cash Flow Statement for the Year Ended 31st March, 2019

Table with columns: Particulars, Note No., 2019, 2018. Rows include Cash Flows from Operating Activities (Revenue, Expenses, Changes in working capital), Cash Flows from Investing Activities (Purchase of Fixed Assets, Change in Cash/Loan/Progress), Cash Flows from Financing Activities (Borrowings, Dividends).

The accompanying Significant accounting policies and notes form an integral part of the financial statements. For and on behalf of the Board, S. S. Prakash, Proprietor, Firm Reg No. 0033333.



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 testing of Pharmaceuticals, Drugs and Biomedicals. The Company is a public limited company incorporated and domiciled in India and has its registered office at Barkhampore, 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 (The AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and all other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Basis of Measurement

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

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets (liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and
- All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization / 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 reviewed and adjusted in light of changes in circumstances 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 and judgments are:



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 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 III of the Companies Act, 2013 (Schedule III), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed of during the year, depreciation is provided on pro-rata basis. Land is not depreciated.

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

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Buildings	
i) Main Plant Building	30
ii) Other Building	60
Plant & Machinery	5
Lab-Equipment	2.5
Material Handling	7.5
Fire fighting	7.5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10



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 recognized 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 amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized 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 the valuation:

- Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- 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, market 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.
- Level 3:** The fair value of financial instruments that are measured on the basis of internally specific valuations using inputs that are not based on observable market data (unobservable inputs).

3) Inventories

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



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) include the discount rate, wage accretion and mortality rate. 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) Provisions and contingencies

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

iv) Fair valuation

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

D. Functional and presentation currency

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

E. Current and non-current classification

All the assets and liabilities have been classified as current or non-current 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.

Assets are 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 are 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



Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non-current 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 to 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 recognized 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 marketplace (regular way trades) are recognized 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 recognized in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Investment in equity instruments

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

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument, excluding dividends, are recognized 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.



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 recognized 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 realizable 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 sale, impairment tests are 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 generate 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 and amortization, if no impairment loss had been recognized.

5) Cash & Cash Equivalents

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



4

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

6) Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the date 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



Equity Instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognized 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 derecognized (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 19. 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 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.



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

6) Employee Benefits

Short term employee benefits

Short term employee benefits are recognized as the related service is provided. A liability is recognized 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 services 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 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, recognized 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 recognized 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 cash 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 defined 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 (or 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 benefits that employees have earned in return for their services in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

7) Provisions, contingent liabilities and contingent assets

A provision is recognized 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 an outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized 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 recognized in the period in which the change occurs.

8) Revenue Recognition

Sale of goods and trade license

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

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and if it is virtually certain that an inflow of economic benefits will arise. The comparative information continues to be reported under Ind AS 18. The impact of adoption of the standard on the financial statements of the Company is insignificant.



Revenue is recognized when the company satisfies a performance obligation by transferring promised good or service to its customer. 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 control 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 recognized based on the price specified in the contract, net of the estimated sales incentives, discounts. Accumulated experience is used to estimate and provide for the discounts right of return, using the expected value method.

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

Other Income

Interest Income

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

Dividend

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

9) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial facilities. 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

10) Tax Expense

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



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 who 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 value 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 "royalty relief 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 the 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 whose 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 issuer 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.



that 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 recognized 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 taxes are 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, or 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 realized simultaneously.

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

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

11) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for diluted 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



22 Investments

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Investments at fair value through Profit or Loss/AtC	-	-	-	-
In Equity Shares	-	9.00	-	0.00
In Mutual Funds	-	8.40	-	7.84
Aggregate amount of Quoted Investments	-	8.40	-	7.85
Total Investments	-	8.40	-	7.85

23 Other Financial Assets

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Deposits with IL and FS	-	-	-	13.00
NBC Bond	-	-	-	0.15
Security Deposit with APCDCO	-	-	-	53.62
Security Deposit with Engineers Colleges	-	-	-	0.70
Deposits with Others	-	70.69	-	-
Deposit for termite	-	-	-	-
Deposit with CPD	-	-	-	-
Deposits with Others	28.72	-	28.47	-
Interest Receivable	4.90	-	6.34	-
TOTAL	33.23	70.69	34.81	67.47



24 Other Non Current Assets and Current Assets

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Deposits with Statutory authorities	-	-	-	0.35
Prepaid Expenses	-	-	0.92	-
Income Tax Refund FY 2013-14	-	-	2.02	-
Income Tax Refund FY 2016-17	3.88	-	3.79	-
Hard Disk/Storage device	38.99	-	22.09	-
GST Input credit	0.15	-	101.06	-
ST Input credit	88.89	-	86.98	-
Leases and relations staff	-	-	-	8.71
Indemnities for and	-	-	-	17.38
Advance for parking material	-	-	-	1.06
Creditors for goods	114.37	-	123.78	-
Excise Duty Claim Receivable in Export	-	-	1.76	6.03
TDS Receivable from vendor	-	-	-	3.48
Excise Duty Input tax credit	-	-	-	1.78
Grant credit received	-	-	-	0.93
Grant credit	-	0.00	-	0.99
Net Input credit receivable	-	-	-	-
Excise paid and/or prepaid	-	-	-	2.90
Deferred GST	-	-	-	4.14
Differential Excise Duty	-	-	-	-
Advance Tax	78.88	-	-	-
TDS receivable	3.84	13.34	26.51	-
Advance others	196.11	18.36	-	2.70
TOTAL	477.73	34.48	447.28	11.91

25 Inventories

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Raw materials	2,701.91	-	201.00	-
Finished goods	344.95	-	2,147.69	-
Packing materials	-	-	24.27	-
TOTAL	3,046.76	-	2,472.97	-

The mode of valuation of inventories has been stated in Note - C7 Significant Accounting Policies. Inventories are disclosed as security for issuing working capital facilities (Refer Note 24).



26 Trade receivables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Trade Receivables	-	-	-	-
Unsecured, considered good	-	-	-	-
Loss Allowance for credit loss	-	-	3,703.04	2,238.76
TOTAL	-	-	3,703.04	2,194.80

Trade Receivables hypothecated as security for issuing working capital facilities.

Movement of Impairment in Trade Receivables

Particulars	Amount
As at 1st April, 2016	(95.11)
Reversal of impairment	8.62
As at 1st April, 2017	(86.49)
Add additional allowance of expected credit loss	(10,380)
As at March 31, 2018	(10,466)
Reversal of impairment	(13.88)
As at March 31, 2019	3.63

27 Cash and Cash Equivalents

Particulars	2019	2018
a) Cash and Cash equivalents	-	-
b) Balances with banks:	-	-
- Current Accounts	59.39	41.35
- Fixed Deposits	39.09	25.09
c) Other Bank Balances (cash credited and)	-	-
Margin Money Deposit Accounts (against Bank Guarantees)	125.22	302.05
Total	214.30	198.23

Cash and Cash Equivalents include the following for Cash Flow purposes

Particulars	2019	2018
Cash and Cash Equivalents (Bank Balances)	214.30	198.23
Less: Bank OD & CC to be classified as Cash & Cash Equivalents	(1495.09)	(1485.85)
Cash and Cash Equivalents (Bank Balances)	(1280.79)	(1287.62)



2.20 Income Taxes:

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.

2.20 Income Taxes:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense	53.78	38.25
Domestic	-	14.21
Foreign tax adjustments	-	-
Deferred tax expense (benefit)	2.94	(20.85)
Domestic	-	-
Foreign	2.94	(20.85)
Total income tax expense (benefit) recognized in the statement of profit and loss	56.80	8.11

2.21 Recalculation of Effective tax rate:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before income taxes	182.80	68.94
Effect of non-taxable	27.82%	33.06%
Computed expected tax benefit/expense	51.13	22.49
Effect of:		
Expenses not deductible for tax purposes	10.81	77.72
Expenses deductible for tax purposes	(91.78)	(61.48)
Taxable at Special Rates	55.15	38.75
Income tax benefit/expense for the year	27.29%	36.90%
Effective tax rate	27.29%	36.90%

The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 27.29% and 36.90%, respectively.

2.22 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:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.82)
Net deferred tax assets/(liabilities)	(254.97)	(252.82)



2.21 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.

2.21 Financial Risk Management:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense	53.78	38.25
Domestic	-	14.21
Foreign tax adjustments	-	-
Deferred tax expense (benefit)	2.94	(20.85)
Domestic	-	-
Foreign	2.94	(20.85)
Total income tax expense (benefit) recognized in the statement of profit and loss	56.80	8.11

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Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
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Income tax benefit/expense for the year	27.29%	36.90%
Effective tax rate	27.29%	36.90%

2.22 Deferred tax assets/Liabilities:

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Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.82)
Net deferred tax assets/(liabilities)	(254.97)	(252.82)



2.23 Credit Risk:

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.

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense	53.78	38.25
Domestic	-	14.21
Foreign tax adjustments	-	-
Deferred tax expense (benefit)	2.94	(20.85)
Domestic	-	-
Foreign	2.94	(20.85)
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Computed expected tax benefit/expense	51.13	22.49
Effect of:		
Expenses not deductible for tax purposes	10.81	77.72
Expenses deductible for tax purposes	(91.78)	(61.48)
Taxable at Special Rates	55.15	38.75
Income tax benefit/expense for the year	27.29%	36.90%
Effective tax rate	27.29%	36.90%

2.24 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:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.82)
Net deferred tax assets/(liabilities)	(254.97)	(252.82)



2.23 Credit Risk:

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.

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Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense	53.78	38.25
Domestic	-	14.21
Foreign tax adjustments	-	-
Deferred tax expense (benefit)	2.94	(20.85)
Domestic	-	-
Foreign	2.94	(20.85)
Total income tax expense (benefit) recognized in the statement of profit and loss	56.80	8.11

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Income tax benefit/expense for the year	27.29%	36.90%
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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:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets/(liabilities):		
Property, plant and equipment	(254.97)	(252.82)
Net deferred tax assets/(liabilities)	(254.97)	(252.82)



2.23 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

Particulars	2019	2018
Contingent Liabilities		
a) Letter of credit outstanding	599.56	606.76
b) Demand raised by each department for FY 2016-17 to 2011-12	16.03	16.03
c) Demand raised by Income tax department for FY 2013-14 to 2014-15	0.00	7.00
d) Demand raised by Income tax department for FY 2008-09, FY 2009-10 and FY 2010-11*	1.43	68.23
	617.22	698.60

* Tax deposited under protest Rs.17.29 lakhs

Annexure-6

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Financial Results of Company Pursuant to the Regulation 33 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended.

To: The Board of Directors of ORTIN LABORATORIES LIMITED

We have reviewed the accompanying statement of Unaudited Financial results of ORTIN LABORATORIES LIMITED (The Company) for the quarter ended 30th September, 2019 and for the period from 1st April, 2019 to 30th September, 2019. The statement of the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standards on Review Engagements (SRE) 2010. Review of financial information performed by an independent auditor of the entity, aimed at the Institute of Chartered Accountants of India, is to provide an opinion on the financial results and to provide an assurance that the information is true and complete in all material aspects. A review is limited in scope to inquiries, analytical procedures and selective substantive testing to financial data and the review does not represent an audit opinion.

Our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards, is not free from material misstatements. A review is limited in scope to inquiries, analytical procedures and selective substantive testing to financial data and the review does not represent an audit opinion.

For Sathuluri & Co. Chartered Accountants Firm Reg No. 9998930

(S. Sathuluri)

Proprietor

Membership No: 22716

LAPCA - 13745310 AAAA H 3.5.1

Place: Hyderabad

Date: 14/11/2019

Statement of Assets and Liabilities

Particulars	As at 30 Sep 2019 (Rs Lakhs)	As at 31 Mar 2019 (Rs Lakhs)
ASSETS		
Non-current assets		
Property, plant and equipment	2,111.05	2,108.61
Capital Work In Progress	34.08	32.41
Financial assets		
Investments	4.92	6.44
Other financial assets	77.98	79.94
Other non-current assets	27.25	36.48
Current assets	3,511.27	3,294.67
Inventory	4,112.50	3,690.78
Financial assets		
Trade receivables	2,562.72	2,375.04
Bank and cash equivalents	212.85	114.30
Other financial assets	31.81	31.21
Other current assets	302.38	177.71
TOTAL	6,803.69	6,284.07
EQUITY AND LIABILITIES		
Equity	1,676.05	1,684.04
Equity Share Capital	126.23	125.25
Other Equity	1,549.82	1,558.79
Liabilities	2,453.23	2,589.30
Non-current liabilities		
Financial Liabilities		
Borrowings	684.44	472.50
Deferred tax liabilities (net)	155.88	234.97
Long Term Provisions	83.91	82.81
Other Non-current liabilities	0.31	6.31
Current liabilities	953.02	981.65
Financial Liabilities		
Borrowings	1,666.47	1,473.29
Trade payables	4,187.45	4,296.65
Other Financial liabilities	186.43	199.66
Provisions	8.76	76.13
Other current liabilities	214.68	116.81
	4,297.39	3,717.54
TOTAL	6,803.69	6,284.07

Statement of Assets and Liabilities

Particulars	As at 30 Sep 2019 (Rs Lakhs)	As at 31 Mar 2019 (Rs Lakhs)
ASSETS		
Non-current assets		
Property, plant and equipment	2,111.05	2,108.61
Capital Work In Progress	34.08	32.41
Financial assets		
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Financial assets		
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Provisions	8.76	76.13
Other current liabilities	214.68	116.81
	4,297.39	3,717.54
TOTAL	6,803.69	6,284.07

Statement of Cash Flows

Particulars	2019		2018	
	INR Lakhs	US\$ Lakhs	INR Lakhs	US\$ Lakhs
Operating Activities				
Profit before tax	1,01,10,000	1,01,10,000	1,01,10,000	1,01,10,000
Depreciation and amortisation expense	10,10,000	10,10,000	10,10,000	10,10,000
Finance cost	1,00,000	1,00,000	1,00,000	1,00,000
Change in trade receivables	1,00,000	1,00,000	1,00,000	1,00,000
Change in trade payables	1,00,000	1,00,000	1,00,000	1,00,000
Change in other current assets	1,00,000	1,00,000	1,00,000	1,00,000
Change in other current liabilities	1,00,000	1,00,000	1,00,000	1,00,000
Income tax paid	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Income tax received	1,00,000	1,00,000	1,00,000	1,00,000
Net cash generated from operating activities	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Investing Activities				
Acquisition of intangible assets	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Acquisition of fixed assets	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Acquisition of other financial assets	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Disposal of fixed assets	1,00,000	1,00,000	1,00,000	1,00,000
Disposal of other financial assets	1,00,000	1,00,000	1,00,000	1,00,000
Net cash used in investing activities	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Financing Activities				
Issue of shares	1,00,000	1,00,000	1,00,000	1,00,000
Dividend received	1,00,000	1,00,000	1,00,000	1,00,000
Dividend paid	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Net cash generated from financing activities	1,00,000	1,00,000	1,00,000	1,00,000
Net change in cash and cash equivalents	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Cash and cash equivalents at the beginning of the year	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Cash and cash equivalents at the end of the year	2,00,20,000	2,00,20,000	2,00,20,000	2,00,20,000



- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be credited to the Investor Education and Protection Fund by the Company.

For M M REDDY & CO.,
Chartered Accountants
Firm Registration No: 000012

M. Madhukar
Partner
Membership No: 211797

Place: Hyderabad
Date: 07/09/2019

SCHEDULE III

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- 1. Basis of preparation of financial statements:**
These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") and with Rule 7 of the Companies (Accounts) Rules, 2014.
Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.
- 2. Use of Estimates:**
The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-retiree outcome report and the useful lives of fixed assets and intangible assets.
Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from these estimates.
- 3. Revenue recognition:**
Revenue recognized on accrual basis



M M REDDY & CO.,
Chartered Accountants

Phone : 040-6930007
Fax : 040-2547852
Mobile : 08482-71462
91770-26565

Independent Auditor's Report

To the Members of VENET LABORATORIES LIMITED

Report on the financial statements

We have audited the accompanying financial statements of M/S. VENET LABORATORIES LIMITED (the Company), which comprise the balance sheet as at 31 March 2019 and the Statement of Profit & Loss for the year ended on 31 March 2019 and the Statement of Financial Position as at 31 March 2019 and Profit and Loss for the year ended on 31 March 2019 and Profit and Loss for the year ended on 31 March 2018.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 149(1)(g) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and using, where applicable, the best available information to measure the financial position, financial performance and cash flows of the Company. It also includes the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and using, where applicable, the best available information to measure the financial position, financial performance and cash flows of the Company. It also includes the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and using, where applicable, the best available information to measure the financial position, financial performance and cash flows of the Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the standards on Auditing specified under Section 143(1) of the Act. These standards require that we comply with ethical requirements.



M M Reddy & Co., Chartered Accountants, Hyderabad, India. Firm Registration No: 000012. M Madhukar, Partner, Membership No: 211797. Place: Hyderabad, Date: 07/09/2019.

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VENET LABORATORIES LIMITED

Balance Sheet as on 31/03/2019

Particulars	2019		2018	
	INR Lakhs	US\$ Lakhs	INR Lakhs	US\$ Lakhs
EQUITY AND LIABILITIES				
Share Capital	1,00,000	1,00,000	1,00,000	1,00,000
Reserves and Surplus	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Provision for employee benefits	1,00,000	1,00,000	1,00,000	1,00,000
Long term loan	1,00,000	1,00,000	1,00,000	1,00,000
Current liabilities	1,00,000	1,00,000	1,00,000	1,00,000
Total	2,00,20,000	2,00,20,000	2,00,20,000	2,00,20,000
ASSETS				
Net fixed assets	1,00,000	1,00,000	1,00,000	1,00,000
Current assets	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Total	2,00,20,000	2,00,20,000	2,00,20,000	2,00,20,000

For M M REDDY & CO., Chartered Accountants, Hyderabad, India. Firm Registration No: 000012. M Madhukar, Partner, Membership No: 211797. Place: Hyderabad, Date: 07/09/2019.

- 4. Fixed Assets, Intangible Assets:**
Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation.
- 5. Depreciation and amortization:**
Depreciation on fixed assets has been provided on straight-line method based on useful life of asset specified in Schedule II of the Companies Act, 2013 on pro-rata basis.
- 6. Product under development:**
Revenue expenditure incurred on product under development for development of new goods and materials has been shown separately under Products and Development.
- 7. Foreign Currency Transactions:**
The Company has no foreign currency transactions during the year.
- 8. Income Tax:**
Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and the relevant timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- 9. Earnings per share:**
In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares used in outstanding during the period.
- 10. Investments:**
During the financial half year the company does not made any investments.



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making these risk assessments, the auditor considers internal financial control systems in the Company's operations as a means to reduce the risk of error, but not as a substitute for the auditor's independent examination of the financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the above financial statements give a true and fair view of the financial position, financial performance and cash flows of the Company as at 31 March 2019 and for the year ended on 31 March 2019 and for the year ended on 31 March 2018 and Profit and Loss for the year ended on 31 March 2019 and Profit and Loss for the year ended on 31 March 2018.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company for the purposes of our audit.
 - The balance sheet and the Statement of Profit & Loss and with this Report are in agreement with the books of account.
 - In our opinion, the above financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act, and



VENET LABORATORIES LIMITED

Profit and Loss Account for the Period ended 31/03/2019

Particulars	2019		2018	
	INR Lakhs	US\$ Lakhs	INR Lakhs	US\$ Lakhs
REVENUE				
Revenue from operations	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Other Income	1,00,000	1,00,000	1,00,000	1,00,000
Total Revenue	1,01,10,000	1,01,10,000	1,01,10,000	1,01,10,000
EXPENSES				
Operating Expenses	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Finance Cost	1,00,000	1,00,000	1,00,000	1,00,000
Administrative expenses	1,00,000	1,00,000	1,00,000	1,00,000
Depreciation/Amortisation	1,00,000	1,00,000	1,00,000	1,00,000
Total	1,02,10,000	1,02,10,000	1,02,10,000	1,02,10,000
Profit/(Loss) before tax	1,00,000	1,00,000	1,00,000	1,00,000
Provision for taxation	1,00,000	1,00,000	1,00,000	1,00,000
Current Year Tax	1,00,000	1,00,000	1,00,000	1,00,000
Deferred tax	1,00,000	1,00,000	1,00,000	1,00,000
Total tax expense	2,00,000	2,00,000	2,00,000	2,00,000
Profit/(Loss) from continuing operations	(1,00,000)	(1,00,000)	(1,00,000)	(1,00,000)
Balance brought forward from previous year	1,00,10,000	1,00,10,000	1,00,10,000	1,00,10,000
Balance carried to Balance Sheet	99,10,000	99,10,000	99,10,000	99,10,000
Number of Shares	1,00,000	1,00,000	1,00,000	1,00,000
Weighted Number of Shares	81,000	81,000	81,000	81,000
Dividend per Share	0.81	0.81	0.81	0.81

The Notes referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

For M M REDDY & CO., Chartered Accountants, Hyderabad, India. Firm Registration No: 000012. M Madhukar, Partner, Membership No: 211797. Place: Hyderabad, Date: 07/09/2019.

- ii. NOTES ON ACCOUNTS**
- 8. Contingent Liabilities** : Nil
- 9. Foreign Exchange earned and outgo** : Nil
- 10. Related Party Transactions**
List of related parties on which the company is able to exercise control:
A. Subsidiaries: Nil
B. Transactions with key management personnel: Nil
- 11. Debt to micro & small-scale industrial undertakings**
As at March 31, 2019 as per available information with the company, there are no debts to small scale industries/undertakings.
- 12. Segment reporting**
Segment reporting is not applicable to the Company and to the nature of its business.
- 13. Auditors Remuneration**
(In Rs. Rupees)

	For 2019	For 2018
Statutory Audit	2500	2500
Total	2500	2500



SCHEME DETAILS AND LISTING

The salient features of the Scheme are as follows:
 Business, undertakings, properties, investments and liabilities of whatsoever nature and kind and where so ever situated, in relation to the API Intermediates Division (Unit II) of Ortn Laboratories Limited (Demerged Company), is proposed to be demerged, pursuant to Sections 230 and 232 read with section 66 of the Companies Act, 2013, and/or any other applicable laws and transferred to Vireet Laboratories Limited.
 The demerger of the Ortn Laboratories Limited (Demerged Company) shall be in accordance with Section 2 (30A) of the Income Tax Act, 1961, such that:
 (a) all the assets relating to the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
 (b) all the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
 (c) all the assets and liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company, on a going concern basis, at the value appearing in the books of account of the Demerged Company immediately before the Demerger;
 (d) the Resulting Company shall issue, in consideration of the Demerged Undertaking, its Equity Shares to the shareholders of the Demerged Company as on the Record Date as per the share entitlement ratio; and
 (e) all the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger.
 Upon the effectiveness of the Scheme and in consideration of the transfer and vesting of the API Intermediates Division (Unit II) of Ortn Laboratories Limited (Demerged Company) into Vireet Laboratories Limited (Resulting Company) pursuant to provisions of the Scheme, Vireet Laboratories Limited shall, issue and allot to each shareholder of Ortn Laboratories Limited, whose name is recorded in the Register of Members and records of the Depository as Members of Ortn Laboratories Limited, 25 (Twenty Five) Equity Shares of Rs. 10 (Rupees Ten) each of Vireet Laboratories Limited issued (or/added as fully paid up for every 100 Equity Shares of Rs 10 (Rupees Ten) each held by such shareholder in Ortn Laboratories Limited.
 The Scheme is subject to the approvals and sanctions as mentioned in the Scheme.
 The Equity Shares to be issued by Vireet Laboratories Limited along with its existing paid up capital will be listed on the Stock Exchanges under Regulation 19 of Securities Contracts (Regulation) Rules, 1957, as amended.



BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

The Memorandum of Association of Vireet Laboratories Limited inter alia authorizes it to undertake the activities of bulk drugs and API Intermediates. As on date of this notice, Vireet Laboratories Limited does not carry on any business activity. Pursuant to the Scheme becoming effective it will engage in the demerged business of Ortn Laboratories Limited, i.e., API Intermediates.

BOARD OF DIRECTORS

The details of the Board of Directors of Vireet Laboratories Limited are as below:

S.No.	Name	Designation	Experience
1.	Goddain Venkata Ramana	Director	Please refer to the promoters of VIL for details.
2.	Satyamranya Raju Bhagathiraju	Director	-do-
3.	Kandula Murali Mohan	Director	-do-

OBJECT OF THE ISSUE

This Abridged Prospectus is pursuant to aforementioned SEBI Circular in connection with Scheme of Arrangement between Ortn Laboratories Limited and Vireet Laboratories Limited. It is proposed to demerge the API Intermediates Division of Ortn Laboratories Limited to Vireet Laboratories Limited.
 The Scheme envisages issuance of shares by Vireet Laboratories Limited to the shareholders of Ortn Laboratories Limited in the manner mentioned here in above.
 The objects of the Scheme is as under,
 The Demerged Company is engaged in 2 (two) distinct lines of business namely;
 (i) Formulation of drugs, and (ii) API Intermediates
 The nature of risk and return involved in the business of API Intermediates Division is distinct from the Formulations Division. Hence, transfer of API Intermediates Division would enable both the divisions to run and operate independently and in a more cohesive manner so as to use more profitable and attract potential collaborators for the future growth and development of business by both the Resulting Company as well as the Demerged Company.
 The separation of the API Intermediates Division, by way of the Scheme from Ortn Laboratories Limited would lead to significant benefits for both businesses including:
 (i) The transfer and vesting of the demerged undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the Companies;



Particulars	For the Period Ended on 30.09.2019	For the year ended 31.03.2019
	UN-AUDITED	AUDITED
Revenue from Operation	-	-
Other Income	-	-
TOTAL	-	-
EXPENDITURE	-	-
Employee benefits expenses	-	-
Depreciation and amortisation	-	-
Other expenses	-	-
Total	-	-
Profit Before tax	-	-
Less: Tax expenses - current tax	-	-
Deferred Tax	-	-
Profit/loss after tax	-	-
Earnings per Equity share (in Rs.)	-	-
Basic	-	-
diluted	-	-

RESTATED FINANCIALS

Particulars	For the Period Ended on 30.09.2019	For the year ended 31.03.2019
	UN-AUDITED	AUDITED
Total Income from Operations	-	-
Net Profit / (Loss) before tax and extra ordinary items	-	-
Net Profit / (Loss) after tax and extra ordinary items	-	-
Equity Share Capital	4100000	4100000
Reserves and Surplus	4100000	4100000
Net Worth	4100000	4100000
Basic Earnings Per Share (in INR)	-	-
Diluted Earnings Per Share (in INR)	-	-
Returns on Net Worth (%)	-	-
Net Asset Value Per Share (in INR)	10	10



ELIGIBILITY

In compliance with the SEBI Circular(s) and in accordance with the disclosure rules for a strided prospectus formal as provided in Part C of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI Regulations"), to the extent applicable.
 The Equity Shares sought to be listed are proposed to be allotted by Vireet Laboratories Limited to the holders of securities of Ortn Laboratories Limited pursuant to a Scheme to be sanctioned by NCLT, Hyderabad Bench under Sections 230 and 232 of the Companies Act, 2013.
 The promoter of shareholding of post scheme public shareholders and Qualified Institutional Buyers (QIBs) of the listed equity and Vireet Laboratories Limited shall not be less than 25%.
INDICATIVE TIMELINE
 This Disclosure Document is filed pursuant to aforementioned SEBI Circular and is not an offer to the public. Given that the Scheme requires approvals of various regulatory authorities, including and primarily, the Hon'ble National Company Law Tribunal, the exact time frame cannot be established with certainty.
COMPANY'S ABSOLUTE RESPONSIBILITY
 Vireet Laboratories Limited, having made all reasonable inquiries, accepts responsibility for and confirms that the Disclosure Document contains all information with regard to Vireet Laboratories Limited and this Scheme, which is material in the context of this Scheme, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material aspect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Disclosure Document as a whole, or any such information or the expression of any such opinions or intentions, misleading in any material aspect.

GENERAL INFORMATION:

Name of Merchant Banker and contact details	Name of Statutory auditor and contact details
CL SECURITIES LIMITED MERCHANT BANKER Address: 214, Raghava Rama Towers, Oring AI Lane, AIOS, Hyderabad - 500022, Telangana Tel: 040 4272615 Email: info@clsecurities.com Website: www.clsecurities.com CIN: L27209TS2009PC000018 SEBI Registration Number: RM000000994	STATUTORY AUDITORS OF THE COMPANY M/s. M R Reddy & Co. Chartered Accountants, M & M Lin Corp, 4th Floor, HSR Eden, Beside Cream Stone, Road No. 2, Banjara Hills, Hyderabad - 500016. Tel: 040 4272615 Email: mreddy@mvredco@gmail.com FRN: 030715



(E) The best interest of understanding small possible general flexibility and volatility in the operational and financial performance of both the divisions would provide higher degree of independence as well as accountability.
 With a view to achieve the aforesaid growth potential, Ortn Laboratories Limited proposes to re-organise and segregate, by way of the Scheme, its business, undertaking and investments in the API Intermediates Division.

SHAREHOLDING PATTERN OF PROMOTERS OF VIREET LABORATORIES LIMITED

Sl. No.	Name of the promoter	No. of Equity Shares		% of shareholding	
		pre to the scheme	post scheme	pre to the scheme	post scheme
1.	Satyamranya Raju Bhagathiraju	36000	7.51	12.88%	1.12
2.	A. Srinivas Raju	34000	8.44	12.88%	2.51
3.	A. Ranga Raju	34000	8.44	12.88%	2.68
4.	A. Prabhakar Raju	34000	8.88	12.88%	8.87
5.	A. Kishor Raju	34000	8.88	12.88%	2.22
6.	Venkata Ramana Goddain	51000	12.53	47.17%	1.18
7.	A. Anandakrishnan	-	-	16.88%	1.89
8.	Venkata Rama Goddain	61000	12.54	19.99%	8.85
9.	Goddain Srinama Rao	-	-	14.91%	0.18
10.	Goddain Sankar	-	-	1.99%	0.18
11.	V. Venkateswara Rao	51000	12.54	12.88%	1.71
12.	K. Murli Mohan	50000	12.20	10.00%	0.54
13.	P. Kishore Raju	60750	4.88	16.9%	0.18
14.	P. Venkatesh Krishna Raju	30150	4.08	14.9%	0.18
Total		410000	100	100.00%	28.89



INTERNAL RISK FACTORS

The Scheme is subject to approval of (i) shareholders, sundry Creditors of Ortn Laboratories Limited (ii) Section by Hon'ble National Company Law Tribunal, Hyderabad Bench in accordance with section 230-232 read with section 66 of Companies Act, 2013 (iii) approval and final approval of stock exchanges, for listing of trading of Equity Shares, in case any of these approvals or sanctions are not received, the Scheme will not be approved.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- (a) Total number of outstanding litigations against the company and amount involved: Nil
- (b) Brief details of top 5 material outstanding litigations against the Company and amount involved: Nil
- (c) Regulatory Action, if any - disciplinary action taken by SEBI or Stock Exchanges against the Promoters in last 5 financial years including outstanding actions, if any: Nil
- (d) Brief details of outstanding criminal proceedings against Promoters: Nil

DECLARATION:

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, to the extent applicable and that all the provisions of the Companies Act, 1956 and Companies Act, 2013 and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018, to the extent applicable, has been complied and no statement made in this document is contrary to the provisions to the said SEBI Circular and SEBI Regulations. We further certify that all statements in this document is true and correct.

For Vireet Laboratories Limited
 G. Venkata Ramana
 Director
 DIN: 00031873
 Date: 14.01.2020
 Place: Hyderabad



PROMOTERS OF VIREET LABORATORIES LIMITED

Mr. Goddain Venkata Ramana is a Master of Science in Chemistry. His post qualification experience is over 10 years and has been in the fields of Finance, accounts, secretarial and general management. He is presently functioning as the Joint Managing Director of Ortn Laboratories Limited.
 Mrs. Goddain Venkata Rama is a Graduate and housewife.
 Mr. A. Ranga Raju is an IT. His post qualification experience is over 20 years and has been in the fields of accounts and general management. He is presently working in Ortn Laboratories Limited.
 Mr. A. Prabhakar Raju is an IT. His post qualification experience is over 20 years and has been in the fields of Finance, accounts, secretarial and general management. He is presently working in Ortn Laboratories Limited.
 Mr. A. Kishor Raju is a Post Graduate in Master of Arts and is a housewife.
 Mr. Valluvar Prasad Rao is a Bachelor of Science. His post qualification experience is over 20 years and has been in the fields of Strategy and Financial Planning. He is presently working in Ortn Laboratories Limited.
 Mr. A. Srinivas Raju is a Inter Pass. His post qualification experience is over 15 years and has been in the fields of Finance, accounts, secretarial and general management. He is presently working in Ortn Laboratories Limited.
 Mr. Bh. Satya Narayana Raju is an S.S.L.C. His post qualification experience is over 45 years and has been in the fields of Finance, accounts, Taxation and Treasury Management. He is presently functioning as the CFO and Whole-time Director of Ortn Laboratories Limited.
 Mr. P. Kishore Raju is Inter Pass. His post qualification experience is over 15 years and has been in the fields of Finance, accounts, Taxation and Treasury Management. He is self-employed.
 Mr. P. Venkatesh Krishna Raju is a BSC. His post qualification experience is over 20 years and has been in the fields of Finance, accounts, secretarial and general management. He is self-employed.
 Mr. K. Murali Mohan is a Master of Science in Chemistry. His post qualification experience is over 25 years and has been in the fields of Human Resource Management, Industrial and Public Relations. He is presently working in Ortn Laboratories Limited.



* There is no change in the shareholding pattern of Vireet Laboratories Limited as on the date of notice since 30.09.2019

Post-scheme shareholding pattern of VIL (Including Company)

Category	No. of shares	% paid up capital after demerger
Promoters	24,72,000	23.90
Public	84,48,000	76.10
Total	1,09,20,000	100.00

FINANCIAL STATEMENTS

Statement of Assets and Liabilities (Amount in Rs.)

Particulars	As on the date ended on 30.09.2019	As on the date ended 31.03.2019
	UN-AUDITED	AUDITED
EQUITY AND LIABILITIES		
Equity Share Capital	41,00,000	41,00,000
Other Equity	-	-
Share Application money	-	-
Share Premium	-	-
Reserves and Surplus	-	-
Long Term Provisions	-	-
Current Liabilities	-	-
Short Term Provisions	-	-
Trade Payables	11,500	24,780
Other Current Liabilities	-	-
Total	41,51,500	41,24,780
Assets		
Non-current Assets	-	-
Property, plant and equipment	-	-
Intangible Assets	-	-
Investments	-	-
Trade Receivables	-	-
Current Assets	41,51,500	41,24,780
Other Current Assets	-	-
Total	41,51,500	41,24,780



PRE - DEMERGER

Form of holding of specified securities

Name of Issuer: **ORTN LABORATORIES LIMITED**
 1. Whether the Issued Equity has been issued in partly paid up shares? No
 2. Whether the Issued Equity has issued any Convertible Securities or Warrants? No
 3. Whether the Issued Equity has any shares against which disciplinary receipts are issued? No
 4. Whether the Issued Equity has any shares in receipt? No
 5. Whether the Issued Equity has any shares in receipt? No
 6. Whether the Issued Equity has any shares in receipt? No

Declaration: The Issued Equity is, and shall be, issued in accordance with the terms of the Memorandum of Association and Articles of Association of the Issuer.

Particulars

Particulars	Yes	No
1. Whether the Issued Equity has been issued in partly paid up shares?		
2. Whether the Issued Equity has issued any Convertible Securities or Warrants?		
3. Whether the Issued Equity has any shares against which disciplinary receipts are issued?		
4. Whether the Issued Equity has any shares in receipt?		
5. Whether the Issued Equity has any shares in receipt?		
6. Whether the Issued Equity has any shares in receipt?		



TABLE 1 - Summary information on the issued securities and details of equity shares

Sl. No.	Particulars	Face Value	Number of Shares	Amount	Percentage
1	Equity Shares of Rs. 10/- each	10	1,00,00,000	10,00,00,000	100.00
2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



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2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



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2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



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2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



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3	Total		1,00,00,000	10,00,00,000	100.00



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1	Equity Shares of Rs. 10/- each	10	1,00,00,000	10,00,00,000	100.00
2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



POST - DEMERGER

- Form of holding of specified securities
- Name of Issuer Entity: M/s. Ortin Laboratories Limited
 - Serial Code/Name of Scrip/Class of Security: Equity
 - Series to which the Scrip belongs: Post Demerger Series (1) (100: 21/10)
 - Issue Date: 21/10/2010
 - Is it Listed (Y/N): Yes
 - Is it Listed (Y/N) from the date of admission to trading:

4. Declaration: The listed entity is required to state the following declaration in the event of subscription of information:

Particulars	Yes?	No?
1. Whether the Listed Entity has issued any partly paid up shares?	No	No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?	No	No
3. Whether the Listed Entity has any share to be issued in respect of its shares?	No	No
4. Whether the Listed Entity has any shares proposed to be issued?	Yes	No
5. Whether the share policy provisions are policy or otherwise?	No	No



TABLE 1 - Summary information on the issued securities and details of equity shares

Sl. No.	Particulars	Face Value	Number of Shares	Amount	Percentage
1	Equity Shares of Rs. 10/- each	10	1,00,00,000	10,00,00,000	100.00
2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



TABLE 1 - Summary information on the issued securities and details of equity shares

Sl. No.	Particulars	Face Value	Number of Shares	Amount	Percentage
1	Equity Shares of Rs. 10/- each	10	1,00,00,000	10,00,00,000	100.00
2	Preference Shares of Rs. 10/- each	10	0	0	0.00
3	Total		1,00,00,000	10,00,00,000	100.00



Table with multiple columns and rows, likely a financial statement or ledger, with a circular stamp at the top right.

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PROXY FORM

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

Name of the sundry creditor :
Registered Address :
Registered Email ID :
Total amount due as on 30.06.2019 :

I/we, the undersigned Sundry Creditor of the above Company do hereby appoint

i. Name :
Address :
E-mail id :
Signature : ; or failing him

ii. Name :
Address :
E-mail id :
Signature : ; or failing him

iii. Name :
Address :
E-mail id :
Signature :

as my/our proxy, to act for me/us at the Tribunal convened meeting of the Sundry Creditors of Ortin Laboratories Limited (Demerged Company) to be held on Wednesday, the 28th day of February, 2020, at 10:30 a.m. at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad- 500035, Telangana India, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme") and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name (herein, if for insert "for", if against, insert "against").

Date :
Signature :



- Note:
a. The proxy form duly filled in and signed by the sundry creditor(s) across the revenue stamp should reach the Company's Registered Office at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura Hyderabad-500027, Telangana, India at least 48 hours before the commencement of the meeting.
b. Corporate sundry creditors intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENCH AT HYDERABAD C.A. (CA) NO.2302/2019/DG-2019
IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
IN THE MATTER OF SECTIONS 238 TO 232 READ WITH SECTION 66 AND ALL OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT OF
ORTIN LABORATORIES LIMITED (DEMERGED COMPANY OR TRANSFEROR COMPANY) AND VINEET LABORATORIES LIMITED (RESULTING COMPANY OR TRANSFEREE COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Ortin Laboratories Limited, a Company incorporated under the Companies Act, 1956, bearing CIN: L24110TG1986PLC006885 and having its Registered Office at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura Hyderabad-500027, Telangana, India, represented by its Managing Director, Mr. S. Murali Krishna Murthy (DIN: 95260632) email: info@ortinlabsindia.com, Ph: 9440047800.

...Applicant Company / Demerged Company/Transferor Company

HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE SUNDRY CREDITORS OF THE COMPANY TO BE HELD ON 28TH DAY OF FEBRUARY, 2020

ATTENDANCE SLIP

I/We hereby record my/our presence at the Tribunal convened meeting of the Sundry Creditors of Ortin Laboratories Limited (Demerged Company) held on Wednesday, the 28th day of February, 2020, at 10:30 a.m. at 8-113/A/1, Hotel Minerva Banquets, Kothapet, Hyderabad-500035, Telangana, India, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company or Transferor Company) and Vineet Laboratories Limited (Resulting Company or Transferee Company) and their respective Shareholders and Creditors ("Scheme").

Name of the Sundry Creditor(s) / Proxy :
Registered Address :
Registered Email ID :
Total amount due as on 30.06.2019 :

Signature

- Notes:
a. Sundry Creditor / Proxy can attend the meeting. No minors would be allowed at the meeting.
b. Sundry Creditor / Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

ROUTE MAP



If undelivered please return to :
ORTIN LABORATORIES LIMITED
Regd Off: D, No. 3-4-512/35 (43/4r),
Opp: Barkatpura Park, Barkatpura
Hyderabad-500027, Telangana, India
Email: info@ortinlabsindia.com