AN ISO 9001 & A WHO GMP CERTIFIED COMPANY

Ortin LABORATORIES LTD

To,

Date: 23.01.2020

NSE Limited,
Exchange Plaza, Bandra- Kurla Complex,
Mumbai 400051

Dear Sir/ Madam,

Sub: Notice of the Hon'ble Naional Company Law Tribunal convened meeting of the SundryCreditors 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 Limitedas per the directions of the Hon'ble National Company Law Tribunal, Bench at Hyderabadscheduled 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.
s

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

Yours faithfully,
For Ortin laboratories Limited

ORTIN LABORATORIES LIMITED HYD

S. Murali Krishna Murthy
Managing Director
DIN: 00540632

Encl. as above

**`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, KOTHAPET, HYDERABAD- 500035, TELANGANA |



**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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**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 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: 00540632) 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 THEHON'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:





**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 this 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 Arrangementof 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 Companywith 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 initialed 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'bleNational Company Law Tribunal, Bench at Hyderabad, while sanctioning the arrangement/demerger 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 accorded to reclassify the following persons/entities (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





| Sl. No. | Name of shareholder | No of shares held | % of the paid up capital |
|---|---|---|---|
| 1 | SatyanarayanarajuBhupathiraju | 496130 | 2.93 |
| 2 | A. Srinivas Raju | 392634 | 2.32 |
| 3 | A Ranga Raju | 302775 | 1.79 |
| 4 | A Prabhakar Raju | 616933 | 3.64 |
| 5 | A Maithali | 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. BalajiVenkateswarulu | 157827 | 0.93 |
| 3 | S Sarath Kumar | 120200 | 0.71 |
| 4 | S VenkataSujatha | 122800 | 0.72 |
| 5 | Lakshmi ShravaniDasari | 87500 | 0.52 |
| 6 | S Srinivas Kumar | 246723 | 1.46 |
| 7 | S HemaKumari | 110200 | 0.65 |
| 8 | S Tandav Krishna | 90650 | 0.54 |
| 9 | S Ravi Sankar | 85000 | 0.50 |
| 10 | S Rajeshwari | 39110 | 0.23 |
| 11 | S Krishna Karthik | 60000 | 0.35 |
| 12 | S Satya Praveen Kumar | 79316 | 0.47 |
| 13 | S. Nagajyothi | 90290 | 0.53 |
| 14 | S Venkataratnamma | 192389 | 1.14 |
| 15 | S. VenkataSubbamma | 101250 | 0.6 |
| 16 | S Mohan Krishna Murthy | 35816 | 0.21 |
| | **Total** | **1762546** | **10.41** |





**"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** at which date, time and place the Sundry Creditorsof the Company are requested to attend and vote.

Sundry Creditors entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are 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 Advocate,** as 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.

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

**Dated this the 20th day of January, 2020**
**Hyderabad**





**Notes:**

1. **A SUNDRY CREDITORENTITLED 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.**

2. No person shall be appointed as a proxy who is a minor.

3. 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 / DemergedCompany along with all the accompanying documents is also displayed / posted on the website of the Company i.e. at www.ortinlabsindia.com.

4. Sundry Creditorswhose 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 aSundry 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.

5. The proxy of a Sundry Creditorblind or incapable of writing may be accepted if such Sundry Creditorhas attached his signature or mark thereto 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 Creditorsbefore he attached his signature or mark.

6. The proxy of aSundry 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.

7. A Sundry Creditor or his/her/its Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.





8. A SundryCreditor (in case such Sundry Creditor is an individual) or the authorized representative of the SundryCreditor(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 SundryCreditor 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.

9. 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 06.01.2020.

10. 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 SundryCreditors present and voting in person or by proxy.

11. 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.

12. 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.

13. Route map to the venue of the Tribunal Convened Meeting is published in this Notice.

14. 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.

15. 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.





**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 TRANSFEREE 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:**

1. A Scheme of ArrangementofOrtin 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 Companyon a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date.

2. The said Scheme of Arrangement was approved by the Board of Directors of the Demergedand Resulting Company at their respective meetings held on 15.05.2019, after taking into the consideration & 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 Schemeand the certificate issued by the statutory auditors of the Company/ies 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 madeby BSE and NSE vide their letters dated 20.06.2019 by passing a resolution in the Board Meeting held on 14.08.2019 and 17.01.2020and accordingly necessary corrections/ modifications have been carried out at appropriate places in the Scheme.

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 inter-alia seeking directions for (i) To direct that a meeting of the Equity Shareholders of the Applicant / Demerged Company be convened (ii) To dispense with the requirement of convening the meeting of the Equity Shareholders of the Resulting Company (iii) To dispense with the requirement of convening the meeting of the Secured Creditors of the Demerged Company (iv) To dispense with the requirement of convening the meeting of the Unsecured Creditors of the Demerged Company (v) To direct that a meeting of the Sundry Creditors of the Applicant / Demerged Company be convened

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, in the C.A.(CAA) NO.230/230/HDB/2019, (i) therequirement of convening the meetings of the equity shareholders of Resulting Company has been dispensed with; (ii) the requirement of convening the meeting of the secured creditors of Demerged Company has been dispensed with; (iii) the requirement of convening the meeting of the unsecured creditors of Demerged Company has been dispensed with; (iv) no requirement of convening the meeting of the Secured and UnsecuredCreditors of the Resulting Companyas there are no secured or unsecured creditors; (v) the Meeting of the Equity Shareholders of the Demerged Company has been ordered to be held and (vii) the Meeting of the Sundry Creditors of the Demerged Company been Ordered to be held;

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 Creditorsof the Demerged Companywill be held for the purpose of considering, and, if thought fit, approving with or without modification(s), the 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")** on Wednesday, the 26th day ofFebruary, 2020, at **8-113/A/1, HOTEL MINERVA BANQUETS, KOTHAPET, HYDERABAD- 500035, TELANGANA** at 10:30 AM.

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 Naresh Kumar, Advocate,** as the CHAIRPERSON and **Ms. B. Poojitha, Advocate,** as the Scrutinizer for convening the said meeting.





**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 10.11.2016, with CIN: U24304TG2016PLC112888 issued by the Registrar of Companies, Andhra Pradesh and Telangana. The PAN of the Company is AAFCV6694P. The ISIN of the Company is INE505Y01010 (Hereinafter referred to as the "Transferee Company/ Resulting Company")

b. **The Registered Office of the Resulting Company** is situated at Sy.No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta, Eshwaramma 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:**

| Particulars | Amount in Rupees |
|---|---|
| Authorized<br>4,10,000 equity shares of INR 10 each | 41,00,000 |
| Issued, subscribed and paid-up<br>4,10,000 equity shares of INR 10 each, fully paid up | 41,00,000 |

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:





| Sl. No. | Name of shareholder | Total No. of shares held | % of holding |
|---|---|---|---|
| 1 | SatyanarayanarajuBhupathiraju | 30000 | 7.31 |
| 2 | A. Srinivas Raju | 34650 | 8.44 |
| 3 | A Ranga Raju | 34650 | 8.44 |
| 4 | A.Prabhakar Raju | 36400 | 8.88 |
| 5 | A.Maithali | 36400 | 8.88 |
| 6 | VenkataRamanaGaddam | 51600 | 12.59 |
| 7 | Venkata Rama Gaddam | 51400 | 12.54 |
| 8 | V. Varaprasada Rao | 51400 | 12.54 |
| 9 | K. Murli Mohan | 50000 | 12.20 |
| 10 | P. Kishore Raju | 16750 | 4.09 |
| 11 | P. VenkataKrishnam Raju | 16750 | 4.09 |
| | **Total** | **4,10,000** | **100.00%** |

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

| Sl. No. | Name | Designation | Present Address |
|---|---|---|---|
| 1. | Satyanarayanaraju Bhupathiraju | Promoter/ Director | # 6-111,Shankarnagar, Peejzaguda, GhatkesarMedipalli 500098, Telangana |
| 2. | A. Srinivas Raju | Promoter | H/o. 6 - 111 / 3, S - 201, Shankar Nagar , Peerzadiguda , Ghatkesar Mandal , Medipally Post , Hyderabad - 500098 |
| 3. | A.Ranga Raju | Promoter | H/o. 7 - 63 / 2, Shankar Nagar , Peerzadiguda , Ghatkesar Mandal , Medipally Post , Hyderabad - 500098 |
| 4. | A.Prabhakar Raju | Promoter | H/o. 2-18-19/2/201, Prashanthi Nagar Near SBI, Survey Of India, Uppal, Hyderabad - 500039 |
| 5. | A.Maithali | Promoter | H.No. 12-13-484 / 10 / 1, Flat No. 103, Sri Sai Towers , Street No. 14, Lane No. 6, Nagarjuna Nagar, Tarnaka, Hyderabad - 500017 |
| 6. | VenkataRamanaGaddam | Promoter/ Director | #4/26,Bahar Sahara Estates, LB Nagar Hayathnagar, Mansoorabad, KV Rangareddy Hyderabad 500068, Telangana |
| 7. | Venkata Rama Gaddam | Promoter | #4/26,Bahar Sahara Estates, LB Nagar Hayathnagar, Mansoorabad, KV Rangareddy Hyderabad 500068, Telangana |





| | | | |
|---|---|---|---|
| 8. | V. Varaprasada Rao | Promoter | 3-1-445, Dhanpur, Opp: LaxminarayanaBhavan, LB Nagar, Ranga Reddy, Telangana-500074 |
| 9. | K. Murli Mohan | Promoter/ Director | 3-11-403/2, Flat No.102, Sree Sai Sadan, Sivaganga Colony LB Nagar Hyderabad – 500074, Telangana |
| 10. | P. Kishore Raju | Promoter | H. No.7-26/1, Plot No.203, Gurudatta Residency, Shankar Nagar, Peerzadiguda, Ghatkesar-500098, Telangana |
| 11. | P. Venkata Krishnam Raju | Promoter | H. No.7-26/1, Plot No.202, Gurudatta Residency, Shankar Nagar, Peerzadiguda, Ghatkesar-500098, Telangana |

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

| Sl. No. | Name of the Directors | In Favor | Against | Abstain |
|---|---|---|---|---|
| 1. | Venkata Ramana Gaddam | Yes | NA | NA |
| 2. | SatyanarayanarajuBhupathiraju | Yes | NA | NA |
| 3. | K. Murli Mohan | Yes | NA | NA |

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

**7.1 Ortin Laboratories Limited**

a. 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. The Registered Office of the company is situated D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad – 500027, Telangana, India. 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.

b. **The Registered Office of the Demerged Company** is situated at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad – 500027, Telangana, India.





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:**

| Particulars | Amount in Rupees |
|---|---|
| **Authorized**<br>2,00,00,000 equity shares of INR 10 each | 20,00,00,000 |
| **Total** | **20,00,00,000** |
| **Issued, subscribed and paid-up**<br>1,69,40,400 equity shares of INR 10 each, fully paid up | 16,94,04,000 |

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: **INE749B01012** & Scrip Code: 539287 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:

| Sl. No. | Name | Designation | Present Address |
|---|---|---|---|
| 1. | S Murali Krishna Murthy | Promoter &Managing Director | 1-8-182/B Chikkadpally Musheerabad Hyderabad 500020, Telangana |
| 2. | S. BalajiVenkateswarulu | Promoter/ Whole time Director | 1-8-182/B Chikkadpally Musheerabad Hyderabad 500020, Telangana |
| 3. | S Sarath Kumar | Promoter | 1-8-182/B Chikkadpally Musheerabad Hyderabad 500020, Telangana |
| 4. | S VenkataSujatha | Promoter | 1-8-182/B Chikkadpally Musheerabad Hyderabad 500020, Telangana |
| 5. | Lakshmi ShravaniDasari | Promoter | 1-8-182/B Chikkadpally Musheerabad Hyderabad 500020, Telangana |
| 6. | S Srinivas Kumar | Promoter/ Whole time Director | 3-5-1083,Flat no.406,Sri TarajeetResidency,Jaiswal street, Keshav Memorial College, Narayanaguda,Himayatnagar Hyderabad 500029, Telangana |





| | | | |
|---|---|---|---|
| 7. | S HemaKumari | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 8. | S Tandav Krishna | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 9. | S Ravi Sankar | Promoter | 3-5-1083,Flat no.406,Sri Tarajeet Residency,Jaiswal street, Keshav Memorial College, Narayanaguda,Himayatnagar Hyderabad 500029, Telangana |
| 10. | S Rajeshwari | Promoter | 3-5-1083,Flat no.406,Sri Tarajeet Residency,Jaiswal street, Keshav Memorial College, Narayanaguda,Himayatnagar Hyderabad 500029, Telangana |
| 11. | S Krishna Karthik | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 12. | S Satya Praveen Kumar | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 13. | S. Nagajyothi | Promoter | 3-5-1083,Flat no.406,Sri Tarajeet Residency,Jaiswal street, Keshav Memorial College, Narayanaguda,Himayatnagar Hyderabad 500029, Telangana |
| 14. | S Venkataratnamma | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 15. | S. Venkata Subbamma | Promoter | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 16. | S Mohan Krishna Murthy | Promoter/ Whole time Director | 1-8-182/B ChikkadpallyMusheerabad Hyderabad 500020, Telangana |
| 17. | Satyanarayanaraju Bhupathiraju | Promoter/ Wholetime Director | 6-111,Shankar nagar, Peejzaguda, GhatkesarMedipalli 500098, Telangana |
| 18. | A. Srinivas Raju | Promoter | H/o. 6 - 111 / 3, S - 201, Shankar Nagar , Peerzadiguda , Ghatkesar Mandal , Medipally Post , Hyderabad - 500098 |
| 19. | A.Ranga Raju | Promoter | H/o. 7 - 63 / 2, Shankar Nagar , Peerzadiguda , Ghatkesar Mandal , Medipally Post , Hyderabad - 500098 |
| 20. | A.Prabhakar Raju | Promoter | H/o. 2-18-19/2/201, Prashanthi Nagar Near SBI, Survey Of India, Uppal, Hyderabad - 500039 |
| 21. | A.Maithali | Promoter | H/o. AVGV Krishnam Raju, H.No. 12-13-484 / 10 / 1, Flat No. 103, Sri Sai Towers , Street No. 14, Lane No. 6, Nagarjuna Nagar, Tarnaka, Hyderabad - 500017 |
| 22. | Venkata Ramana Gaddam | Promoter/ Joint Managing Director | #4/26,Bahar Sahara Estates, LB Nagar Hayathnagar, Mansoorabad, KV Rangareddy Hyderabad 500068, Telangana |
| 23. | A Anantalakshmi | Promoter | H/o. 6 - 111 / 3, S - 201, Shankar Nagar , Peerzadiguda , Ghatkesar Mandal , Medipally Post , Hyderabad - 500098 |





| | | | |
|---|---|---|---|
| 24. | Venkata Rama Gaddam | Promoter | #4/26,Bahar Sahara Estates, LB Nagar Hayathnagar, Mansoorabad, KV Rangareddy Hyderabad 500068, Telangana |
| 25. | Gaddam Srinivasa Rao | Promoter | H.No. 5-5-309/506, Prashanthi Nagar , Vanasthalipuram, Hayath Nagar, VanasthaliPuram, K.V.Ranga Reddy , A.P. 500070 |
| 26. | GaddamBalaji | Promoter | PRMM School, H.No. 8-43/3/ 3/G, Street No. 1, Balaji Hills , Boduppal, Ghatkesar , Uppal, Ranga Reddy , A.P. 500039 |
| 27. | Jalluri Radhakrishna Panduranga Rao | Director | 1-9-208, New Dilsukhnagar Colony, KothapetHydwerabad 500060, Telangana |
| 28. | KavooryPradyumnaTeja | Director | 2-1-284, F 502, Block 1, Kohatriya Towers, Nallakunta Vegetable Market Road, Nallakunta Hyderabad 500044, Telangana |
| 29. | SeshagiriTirukkovalluru | Director | 2-1-283/2/16,Nallakunta, Nallakunta Hyderabad 500044, Telangana |
| 30. | Gopal Reddy Bheemreddy | Director | 16-11-404/7,Sai Nagar Colony, Near GHMC Park,Moosarambagh Hyderabad 500036, Telangana |
| 31. | Thotakura Uma Sangeetha | Director | 7-63/2 Shankar Nagar Ghatkesar Mandal PeerzadigudaMedipalliRangareddi Hyderabad 500098, Telangana |

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

| Sl. No. | Name of the Directors | In Favor | Against | Abstain |
|---|---|---|---|---|
| 1. | GaddamVenkataRamana | Yes | NA | NA |
| 2. | JalluriRadhakrishnaPanduranga Rao | Yes | NA | NA |
| 3. | MuraliKrishna Murthy Sanka | Yes | NA | NA |
| 4. | Mohan Krishna Murthy Sanka | Yes | NA | NA |
| 5. | BalajiVenkateswarluSanka | Yes | NA | NA |
| 6. | SrinivasakumarSanka | Yes | NA | NA |
| 7. | Satyanarayana Raju Bhupathiraju | Yes | NA | NA |
| 8. | KavooryPradyumnaTeja | Yes | NA | NA |
| 9. | SeshagiriTirukkovalluru | Yes | NA | NA |
| 10. | Gopal Reddy Bheemreddy | Yes | NA | NA |
| 11. | Thotakura Uma Sangeetha | Yes | NA | NA |

h. The Demerged Company has4 (Four) secured creditors amounting to Rs. 18,24,35,475/-(Rupees Eighteen CroresTwenty 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. 2,96,47,890/- (Rupees Two CroresNinety Six LakhsForty Seven Thousand Eight Hundred and Ninety only)as on 30.06.2019. Unsecuredlenders constituting more than 90% in value and number have given their consent to the Scheme stating





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(ThreeHundred and Fourteen) sundry creditors amounting to Rs. 50,33,11,165/- (Rupees Fifty CroresThirty three LakhsEleven 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 pleasedto 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 pleasedto 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 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 Demerge the API Intermediates Division currently operating through the Unit II to the Resulting Companyand 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





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.

**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.

**9.1.1CLAUSE 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 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.**

**"Demerged Company" means Ortin Laboratories Limited, a company incorporated under the provisions of the Companies Act, 1956 under CIN: L24110TG1986PLC006885 and having registered office at D. No: 3-4-512/35 (43/4RT), Opp: Barkatpura Park, Barkatpura, Hyderabad – 500027, Telangana, India, Telangana.**

**"Demerged Undertaking" means and include:**

(i) all the business, undertaking, properties, investments and liabilities of whatsoever nature and kind and wheresoever 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, Malkapur 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 intangibles, 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, telex, 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, 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 holiday, 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 wheresoever 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 relatable 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, date 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: U24304TG2016PLC112888 and having registered office at Sy.No. 11/A3, Saheb Nagar, KurduVill, ChintalKunta, EshwarammaNilayam, L B Nagar, Hyderabad Telangana – 500074.





**"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'bleNCLT or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the Hon'bleNCLT 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.

**9.1.2CLAUSE 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 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. 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 de-merger 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 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 | 143475 | 0.85 | 68868 | 0.85 |
| 2 | S. Balaji Venkateswarulu | 157827 | 0.93 | 75756 | 0.93 |
| 3 | S Sarath Kumar | 120200 | 0.71 | 57696 | 0.71 |
| 4 | S Venkata Sujatha | 122800 | 0.72 | 58944 | 0.72 |
| 5 | Lakshmi ShravaniDasari | 87500 | 0.52 | 42000 | 0.52 |
| 6 | S Srinivas Kumar | 246723 | 1.46 | 118427 | 1.46 |
| 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 | Satyanarayanaraju Bhupathiraju | 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 Maithali | 323310 | 1.91 | 155188 | 1.91 |
| 6 | VenkataRamanaGaddam | 818409 | 4.83 | 392836 | 4.83 |
| 7 | A Anantalakshmi | 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 | 32680 | 0.19 | 15686 | 0.19 |
| | Total (II) | 4138820 | 24.43 | 1986629 | 24.43 |
| | **Grand Total (I+II)** | **5901366** | **34.84** | **2832647** | **34.84** |





**Post-demerger 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 II | Existing Promoter in VLL | Pre Scheme Shares in VLL | % | Post scheme shares (including pre scheme shares) | % |
|---|---|---|---|---|---|---|---|
| 1 | Satyanarayanaraju Bhupathiraju | Yes | Yes | 30000 | 7.31 | 287987 | 3.12 |
| 2 | A. Srinivas Raju | Yes | Yes | 34650 | 8.44 | 238819 | 2.59 |
| 3 | A Ranga 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 | - | - | 165891 | 1.80 |
| 8 | Venkata Rama Gaddam* | Yes | Yes | 51400 | 12.54 | 450368 | 4.89 |
| 9 | Gaddam Srinivasa Rao | Yes | No | - | - | 36233 | 0.39 |
| 10 | Gaddam Balaji | Yes | No | - | - | 16993 | 0.18 |
| 11 | V. Varaprasada Rao | No | Yes | 51400 | 12.54 | 162083 | 1.76 |
| 12 | K. Murli Mohan | No | Yes | 50000 | 12.20 | 50000 | 0.54 |
| 13 | P. Kishore Raju | No | Yes | 16750 | 4.09 | 16750 | 0.18 |
| 14 | P. VenkataKrishnam Raju | No | Yes | 16750 | 4.09 | 16750 | 0.18 |
| **Total** | | | | **410000** | **100** | **2672865** | **28.99** |





*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 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:

**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.

**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 vested in or deemed to be transferred to and vested in Resulting Company, as a going concern 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 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 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 therein passes to 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 (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, 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 be 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.

ii. 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 be 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 who is a party to 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.

iii. 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 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 had been allotted and/or granted and/or sanctioned and/or allowed to Resulting Company.

iv. 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 be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements or incentives of any nature whatsoever. Such entitlements 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.

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), 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 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 and assets or any part thereof relatable 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 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 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 therefore 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 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.

viii. 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 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.

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 affected.

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 DEMERGER**

i. 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 1(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.8,13,13,920/- comprising of 1,69,40,400 equity shares of Rs.4.80/- each without any further act or deed.

ii. 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.

iii. 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.

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**

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 attached there 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 4,10,000 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**

i. 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 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:

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 in Demerged Company amounting to 88,09,008 equity shares of Rs.10/- each.

ii. 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.

iii. 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) at such price(s) and to such person(s) as it/he/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.

iv. 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 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.

v. 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 to 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 dematerialised 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 or if the details furnished by any member do not permit electronic credit of the 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.

vi. 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.

vii. 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.

viii. 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.

ix. 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 the 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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:

i. 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.

ii. All the liabilities pertaining to the Demerged Undertaking shall be recorded by the Resulting Company at their book values.

iii. 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.

iv. 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.

v. 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 iii 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:

i. 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.

ii. 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**

i. 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'bleTribunal 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.

ii. 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.

iii. 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 it's 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:**

i. 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.

ii. 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





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.

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**

i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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 are only some of the**





**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 | |
|---|---|---|---|---|
| **Authorised Capital** | **No. of Shares** | **Amount in Rs.** | **No. of Shares** | **Amount in Rs.** |
| 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 | |
|---|---|---|---|---|
| **Authorised 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 | 1,08,10,000 | 10,81,00,000 |
| | **Total** | **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 the 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.





**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 name 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 Re. 10/- each(fully paid-up) held by the shareholders in Demerged Company amounting to 88,09,008 equity shares of Rs. 10/- each. Therefore, 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.

48 Equity shares of Rs. 10/- each (fully paid-up) of Demerged Company shall be issued in lieu of 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 Demergedand Resulting Companies and the number of shares and the shareholding pattern of the Demerged Company and Resulting Company before and after the scheme of arrangementare given at para no 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

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 relatable 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 **Debenture holders & debenture trustee:** Not Applicable. As on date, neither the Demerged nor the Resulting Companyhave any outstanding Debentures and therefore the effect of the Scheme on any such debenture holders and debenture 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 to 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 no 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 Valuerand 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: INE749B01012& 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 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.

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 Companyundergoing 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 sixmonths period ended 30.09.2019 of the Demerged and Resulting Companyand are enclosed to this notice as **Annexure 5 to8**, respectively.

19. Certificates issued by the statutory auditors of the Company/iesin terms of the provisos 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 Companyunder 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 Companyhave 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'bleNational 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'bleNational 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) uptotwo working days prior to the date of the meeting;

a) Company Application No. C.A.(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 6thday of January, 2020, passed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in the C.A.(CAA) No.230/230/HDB/2019.





c) Resolution passed by the Board of Directors of Demerged Company and Resulting Company approving the Scheme of Arrangementat their respective meetings.

d) Scheme of Arrangementbetween 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 Standards 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 DemergedCompany 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 Companyfor 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 operative from the Appointed Date subject to the approval and directions of the Hon'bleNational 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 Arrangementbetween 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 the 20th day of January, 2020**

**Hyderabad**





Annexure-1

**SCHEME OF ARRANGEMENT**
**IN THE MATTER OF DE-MERGER AND TRANSFER OF DE-MERGED 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, 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. The Registered Office of the company is situated at D. No: 1-2-593/29, 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, Kurdu Vill, Chintal Kunta, 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 AAFCV6694P.

**iii) the brief details of Scheme of Arrangement (Merger) undergone by the company earlier:**

In the year 2011, Vineet Laboratories Private Limited (CIN U24239TG2003PTC040719 - 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. The formulations 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 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 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 provisions 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 (19AA) of the Income Tax Act, 1961, such that:

(a) all the assets relatable 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 relatable 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 relatable 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.

**"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: L24110TG1986PLC006885 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 wheresoever 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, Malkapur 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 intangibles, industrial 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, telex, 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, 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 holiday, 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 wheresoever 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 relatable 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, date 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.

**"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 transfer 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.





**"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 Vill, 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 of 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;





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

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).





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.

**2.4.1. The shareholding pattern of M/s Ortin Laboratories Limited before de-merger as on 30.06.2018 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 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 | 143475 | 0.85 | 68868 | 0.85 |
| 2 | S. Balaji Venkateswarulu | 157827 | 0.93 | 75756 | 0.93 |
| 3 | S Sarath Kumar | 120200 | 0.71 | 57696 | 0.71 |
| 4 | S Venkata Sujatha | 122800 | 0.72 | 58944 | 0.72 |
| 5 | Lakshmi Shravani Dasari | 87500 | 0.52 | 42000 | 0.52 |
| 6 | S Srinivas Kumar | 246723 | 1.46 | 118427 | 1.46 |
| 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 | Satyanarayanaraju Bhupathiraju | 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 Maithali | 323310 | 1.91 | 155188 | 1.91 |
| 6 | Venkata Ramana Gaddam | 818409 | 4.83 | 392836 | 4.83 |
| 7 | A Anantalakshmi | 319022 | 1.88 | 153130 | 1.88 |
| 8 | Venkata Rama Gaddam | 767247 | 4.53 | 368278 | 4.53 |
| 9 | Gaddam Srinivasa Rao | 69680 | 0.41 | 33446 | 0.41 |
| 10 | Gaddam Balaji | 32680 | 0.19 | 15686 | 0.19 |
| | **Total (II)** | **4138820** | **24.43** | **1986629** | **24.43** |
| | | | | | |
| | **Grand Total (I+II)** | **5901366** | **34.84** | **2832647** | **34.84** |

2.4.2. Post-demerger 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 |

**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 |





**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 II | Existing Promoter in VLL | Pre Scheme Shares in VLL | % | Post scheme shares (including pre scheme shares) | % |
|---|---|---|---|---|---|---|---|
| 1 | Satyanarayanaraju Bhupathiraju | Yes | Yes | 30000 | 7.31 | 287987 | 3.12 |
| 2 | A. Srinivas Raju | Yes | Yes | 34650 | 8.44 | 238819 | 2.59 |
| 3 | A Ranga 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 | - | - | 165891 | 1.80 |
| 8 | Venkata Rama Gaddam* | Yes | Yes | 51400 | 12.54 | 450368 | 4.89 |
| 9 | Gaddam Srinivasa Rao | Yes | No | - | - | 36233 | 0.39 |
| 10 | Gaddam Balaji | Yes | No | - | - | 16993 | 0.18 |
| 11 | V. Varaprasada Rao | No | Yes | 51400 | 12.54 | 162083 | 1.76 |
| 12 | K. Murli Mohan | No | Yes | 50000 | 12.20 | 50000 | 0.54 |
| 13 | P. Kishore Raju | No | Yes | 16750 | 4.09 | 16750 | 0.18 |
| 14 | P. Venkata Krishnam Raju | No | Yes | 16750 | 4.09 | 16750 | 0.18 |
| | **Total** | | | **410000** | **100** | **2672865** | **28.99** |

*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 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:





**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 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 thing, stand 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

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 therein passes to 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 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, 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 be 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 be 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 who is a party to 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





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 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 be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements or incentives of any nature whatsoever. Such entitlements 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 record of the statutory authorities who shall take them on file, pursuant to this 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 relatable 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 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 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 therefore 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 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.

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.





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 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 affected.

4.12 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.

**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 1(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. 8,13,13,920 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/-. 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.

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 attached there 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 4,10,000 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"

**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 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:

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 Re. 10/- each(fully paid-up) held by the shareholders in 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) at such price(s) and to such person(s) as it/he/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.

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





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 to 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 dematerialised 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 or if the details furnished by any member do not permit electronic credit of the 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.

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 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.

6.7 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.

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





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 the 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.





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 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 reasonable diligence, business prudence and shall not without 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

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 the period falling on and 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'bleTribunal 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.

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 it's 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 the 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 against or in favour of Resulting Company and may be enforced effectively by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been





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 formal 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





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.

14.3 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.

**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 he 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.





**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 or 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/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/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 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





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 in puts /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 if all such unutilised credits were lying in the Account of the Resulting Company. The Resulting Company shall accordingly be entitled to setoff 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 convening, 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





Directors or any duly authorised Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) or of 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 settling any question or doubt or difficulty that may arise for implementing and/or 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 effected 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 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 reason of any orders of the NCLT or of any directive 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 authorise 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





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 as 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 | CHENNAI/BANGLORE |
| 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 ETC.) | 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 |





Annexure-2

NCLT, Hyderabad Bench
CA(CAA) No. 230/230/HDB/2019

**NATIONAL COMPANY LAW TRIBUNAL**
**HYDERABAD BENCH**

**CA(CAA)No. 230/230/HDB/2019**

**Application filed under Sections 230 to 233 read with Section 66 of the Companies Act, 2013**

Ortin Laboratories Limited
D.No.3-4-5/2/31 (430/RT),
Opp. Barkatpura Park, Barkatpura,
Hyderabad – 500027,
Telangana. ... Applicant/Demerged Company

Vineet Laboratories Limited
Sy.No.11(A3), Sahib Nagar, Kunla Vill,
ChivalKunta, EthiraamnaNilayam,
L.B. Nagar,
Hyderabad – 500074,
Telangana. ... Applicant/Resulting Company

**Date of Pronouncement of Order: 06.01.2020**

**Coram:**

**Shri K. Anantha Padmanabha Swamy, Member-Judicial**

**Dr. Binod Kumar Sinha, Member-Technical**

**Parties Present:**

For Applicant(s): Mr. Y. Suryanarayana, Advocate

**Per: Dr. Binod Kumar Sinha, Member-Technical**

**ORDER**

1. The present Company Application bearing CA(CAA)No.230/230/HDB/2019 is jointly filed by Ortin Laboratories Limited (Transferor Company) and Vineet Laboratories Limited (Transferee Company), under Section 230 to 233read with Section 66 of the Companies Act, 2013 (the

Page 1 of 9





NCLT, Hyderabad Bench
CA (CAA) No. 230/230/HDB/2019

Act) and the Companies (Compromises, Arrangements and Amalgamation) 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 Secured 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 meetings of the Equity Shareholders and Sundry Creditors of the Demerged Company for consideration 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 this Tribunal.

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

**I. In respect of DemergedCompany:**

The Authorised Share Capital of the Demerged Companyas on 31.03.2019was Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 equity shares of Rs.10/- each.The issued, subscribed and paid-up Share Capital is Rs.16,94,04,000/- (Rupees Sixteen Crores Ninety Four lakhs and Four Thousand) divided into 1,69,40,400equity shares of Rs.10/- each. The main objects of the Company are to carry on business of manufacture, process, import, export, turn sell or 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 Authorised Share Capital of the Resulting Company as on 31.03.2019 was Rs.41,00,000/- (Rupees Forty Lakhs) divided into 4,10,000 equity

Page 3 of 9

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 businessas dealers, manufacturers, exporters, importers, contractors, agents, distributors of Drugs, Bulk Drugs, Pesticides, Dyestuffs 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 I located at Medak District, Telangana. Whereas, API Intermediates division is being operated through Unit II located from 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 collaborators for the future growth and development of business by both the Applicant Companies.









b) It will 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.

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 Practicing Company Secretary (refer Page No.4 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 Shareholders**holding 1,69,40,400 shares in the Demerged Company.

8. The **Demerged Company**has filed certificate of Statutory Auditor (refer page No.196 and 197 of the Petition) stating that as on 30.06.2019 there are there four (4) **Secured Creditors** together having debt of Rs.18,24,35,475/- Out of which one (1) Secured Creditor (i.e. Karnataka Bank Limited) having a debt of Rs.17,36,01,235/- constituting 95.51% of total Secured Creditors has given its consent to the proposed Scheme (refer page No.207 of the petition).

9. The **Demerged Company**has filed certificate of Statutory Auditor (refer page No.198 of the Petition) stating that as on 31.08.2019 there are thirty six









(36) **Unsecured Creditors** togetherhaving 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).

10. 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) **Sundry Creditors** togetherhaving debt of Rs.50,33,11,165/-.

11. The **Demerged Company** has filed certificate of Statutory Auditor (refer page No.184 of the petition) stating that as on 30.06.2019 there are eleven (11) **Equity Shareholders**in the Resulting Company and they have given their consent to the proposed Scheme (refer page Nos.185-195 of the petition).

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

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

14. It is noted that all the **equity shareholders** of the Resulting Company have given consent affidavits agreeing to the proposed Scheme and hence no need to direct the **Resulting Company** to hold meeting of Equity Shareholdersand the same is**dispensed** with.









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 are no **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.

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

a) A meeting of the Sundry Creditors of theDemerged Company shall be held on **26.02.2020 at 10.30 AM** at Hotel Minerva Banquets, 8-113/A/1, Kothapet, Hyderabad – 500035, Telangana for the purpose of considering and if, thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

b) Shri B. V. Ram Naresh Kumar, Advocate (Mobile No. 9391309770 & 8142209772) shall be the Chairmanfor the meeting of Sundry Creditors and in respect of any adjournment thereof.

c) Ms B. Poojitha, Advocate (Mobile No. 9908481168) is appointed as the Scrutinizer for the aforesaid meeting and in respect of any adjournment thereof.









d) A meeting of the Equity Shareholders of the Demerged Company shall be held on **26.02.2020 at 11.00 AM** Hotel Minerva Banquets, 8-113/A/1, Kothapet, Hyderabad – 500035, Telangana for the purpose of considering and if, thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

e) Shri Amir Ali Bavani, Advocate (Mobile No. 9949216962) shall be the Chairmanfor the meeting of Equity Shareholders and in respect of any adjournment thereof.

f) Ms. Vanilakshmi, PCS (Mobile No.9000687444)is appointed as the Scrutinizer for the aforesaid meetingand in respect of any adjournment thereof.

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

h) At least one month before 26.02.2020 i.e. the date of the aforesaid meetings an advertisement about convening of the said meetings, indicating the day, date, place and time, as aforesaid, shall be published in Business Standard (in English) and in Nava 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 Sections 230 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. Y. Suryanarayana, Advocate, Flat No.106, Nirmal Towers 200, Near Sai Baba Temple, Dwarakapuri Colony, Punjagutta,









Hyderabad – 500 082 in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

i) 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 ResultingCompany 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 for deciding any procedural questions that may arise at the meeting or adjournment(s) to the aforesaid scheme or resolution, if any, proposed at the aforesaid meeting by any person(s) and to ascertain the decision of the sense of the meeting by ballot/polling paper at the venue of the meeting.

j) The quorum for the meeting shall be as per Provisions of Section 103 of the Companies Act, 2013.

Voting by proxy/authorised representatives is permitted provided that the proxy in the prescribed form/authorisation duly signed by the person entitled to attend and vote at the aforesaid meeting is filed with the Resulting Company at the Registered Office i.e. Sy.No.11/A3, Saheb Nagar, Kurdu Vill, Chintalkunta, Ishwaramma Nilayam, L.B. Nagar, Hyderabad – 500 074, not later than 48 hours before the meetings vide Rule 10 of the Companies (CAA) Rules, 2016 read with Section 105 of the Act.

l) 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









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

m) It is further ordered that the Chairman shall report to this Tribunal on 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.

n) In compliance of sub section(3) of Section 230 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 230 read with Rule 6 of the Rules with a copy of the Scheme, the explanatory statement and the disclosures mentioned in Rule 6 to (a) the Central Government through the Regional Director, South Eastern Region; (b) the Registrar of Companies, Telangana; (c) the Income Tax Authorities; (d) the Official Liquidator; and (e) SEBI. The said notices 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 230 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.

20. The Company Application i.e. CA(CAA)No.230/230/HDB/2019 is disposed of accordingly.

DR. BINOD KUMAR SINHA
MEMBER (TECHNICAL)

K. ANANTHA PADMANABHA SWAMY
MEMBER (JUDICIAL)

CERTIFIED TRUE COPY





Annexure-3

Ortin

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ORTIN LABORATORIES LIMITED BEARING CIN:L24231TG1986PLC006885, AT ITS MEETING HELD ON WEDNESDAY, 14.08.2019 AT 06:00 P.M. AT D. NO: 3-6-162/30 (63/401), OPP: BARKATPURA BANK, BARKATPURA, HYDERABAD - 500027 TELANGANA

DIRECTORS PRESENT:

| | | |
|---|---|---|
| 1. Mr. Jakka Radhakrishna Prabhakarraju Raju | - | Chairman |
| 2. Mr. Monal Krishna Murthy Sunkip | - | Managing Director |
| 3. Mr. Gadiparthi Venkatachalam | - | Joint Managing Director |
| 4. Mr. Mohan Krishna Murthy Sunkip | - | Whole-time Director |
| 5. Mr. Srinivasa Kumar Sunkip | - | Whole-time Director |
| 6. Mr. Satyanarayana Raju Bhupathiraju | - | Whole-time Director |
| 7. Mr. Balaprasad Jaswanth Gadiparthi | - | Director |
| 8. Mr. Kandoorp Prabhakar Raju | - | Director |
| 9. Mr. Sankaiah Thalakondapally | - | Director |
| 10. Mr. Gopal Reddy Khammadu | - | Director |
| 11. Mr. Thotakura Uma Sangeetha | - | Director |

IN ATTENDANCE:

Mrs. Shamari S. Khadke - Company Secretary & Compliance Officer

BACKGROUND:

1. A Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company) and Vineet 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 15.05.2019, for the purpose of Demerger of API Intermediates Division of the Demerged Company into Vineet Laboratories Limited (Resulting Company) on a going concern basis with effect from 01.04.2017 (First Day of April, Two Thousand and Seventeen) being the appointed date.

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

Corp. & Regd. Office: Door No. 3-6-162/30 (63/401), Opp. Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana State, India. Phone: +91 40 27536350 / +91 40 27536360
website: www.ortinlaboratories.com Email: info@ortinlaboratories.com
CIN: L24231TG1986PLC006885





3. This report is being adopted pursuant to the requirement of section 230(2)(c) of the Companies Act, 2013, for circulating to the equity shareholders of the Company. This report explains the effect of the Scheme of Arrangement on equity shareholders, key managerial personnel, promoters and non promoter shareholders (using cut in particular the share exchange ratio).

4. The Scheme of Arrangement between betweenOrtin Laboratories Limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) and their respective Shareholders and Creditors ("Scheme"),was approved by the Board of Directors of the Company taking in to consideration the rationale, the Valuation Report dated 12.04.2019 issued by Mr.M. Madhusudhana Reddy, Registered Valuer and the Fairness Opinion Certificate dated 26.04.2019, issued by Quintessence Enterprises Private Limited, SEBI Registered Category I Merchant Banker, on the Share Exchange Ratio recommended by the Registered Valuer, Mr. M. Madhusudhana Reddy, Registered Valuer, opining that the Share Exchange Ratio is fair.

5. The Share Exchange Ratio as recommended by the Valuer is as follows:

**Demerged Company (Ortin Laboratories Limited):**

46 Equity shares of Rs. 10/- each (fully paid-up) of Demerged Company shall be issued in lieu of 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.

**Resulting Company (Vineet Laboratories Limited):**

57 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(fully paid-up) held by the shareholders in Demerged Company amounting to 96,29,908 equity shares of Rs. 10/- each.

**REPORT:**

1. There is no inter-company shareholding.

2. Upon sanction of this Scheme by the Hon'ble Tribunal and other appropriate authorities and on transfer of the API Intermediates Division to the resulting Company, the issued, subscribed and paid up share capital of the Demerged Company shall be reduced by reducing the face value of the equity

shares from 1(one) equity share of Rs.10/-each fully paid up to 1 (One) equity share of Rs.4.00/- 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 as Rs. 8,17,13,510/- comprising of 1,69,40,400 equity shares of Rs.4.00/- each without any further act or deed.

Simultaneously, 100 (hundred) equity shares each of Rs.4.00/-, shall be consolidated into 40(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 their 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.

3. 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 38,00,000 equity shares of Rs. 10/- each aggregating to Rs. 3,80,00,000 and the subscribed, issued and paid up capital shall comprise of 81,21,351 new equity shares of Rs.10 each aggregating to Rs.8,12,13,510/-.

4. As far as the Shareholders of the Company are concerned (Promoter Shareholders as well as Non-Promoter Shareholders), pursuant to the scheme of arrangement the following will be the scenario:

Group I headed by Mr. S. Murali Krishna Murthy and his family members will continue as promoters of OLL (demerged company) and this other Group (Group – II headed by Mr. G. Venkata Ramana and his family members and associates) 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).

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. As a result there will be a dilution in the shareholding of the promoters in that extent.

The public shareholders will not have any adverse impact pursuant to the Scheme of Arrangement. A shareholder, prior to the demerger who is holding 100 shares of Rs. 10/- each in Ortin Laboratories Limited (demerged company) will be post demerger scenario holding 48 equity shares of Rs. 10 each in Ortin Laboratories Limited and 52 equity shares of Rs. 10/- each in Vineet Laboratories Limited (resulting company)

6. Pursuant to the Scheme, all the shareholders of the Demerged Company will get shares of the Resulting Company and there will be no change in economic interest of any of the shareholders of the Demerged Company pre and post scheme.

8. 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 "Key Managerial Personnel" those who are in charge of their respective undertakings in the demerged company will continue to serve in their respective undertakings in the post scheme of demerger.

For Ortin Laboratories Limited

S. Murali Krishna Murthy
Managing Director

Place: Hyderabad
Date: 14.08.2019





Annexure-4

Vineet Laboratories Limited

REGD. OFFICE : H.No. 5-5-161 Mallikarjun Nilayam, Opp. Vishnu Theatre, Chintalkunta, L.B. Nagar, Hyderabad - 500074

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VINEET LABORATORIES LIMITED BEARING CIN: U24399TG2004PLC043886 AT ITS MEETING HELD ON WEDNESDAY, 14.08.2019 AT 4.00 P.M. AT REGISTERED OFFICE OF THE COMPANY AT SY.NO. 12/45, SAHEB NAGAR, KURMA VILL, CHINTAL KUNTA, KOTHAPANAMA NILAYAM, L.B NAGAR HYDERABAD – 500074, TELANGANA

DIRECTORS PRESENT:

1. Mr. Gaddam Venkata Ramana - Director
2. Mr. Sajjanaparapu Raja Bhaskarrao - Director
3. Mr. Nandala Murali Mohan - Director

BACKGROUND:

1. A Scheme of Arrangement between Ortin Laboratories Limited (Demerged Company) and Vineet 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 15.05.2019, for the purpose of demerger of API Intermediates Division of the Demerged Company into Vineet Laboratories Limited (Resulting Company) on a going concern basis with effect from 01.04.2017 (First Day of April, Two Thousand and Seventeen) being the appointed date.

2. 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 30.06.2019 by passing a resolution in the Board Meeting held on 31.08.2019 and accordingly necessary corrections/ modifications have been carried out at appropriate places in the Scheme.

3. This report is being adopted pursuant to the requirement of section 232(2)(c) of the Companies Act, 2013, for circulating to the equity shareholders of the Company. This report explains the effect of the Scheme of Arrangement on equity shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio.

Factory : Sy. No. 306, Mallapur (V), Choutuppal (M), Yadadri Dist. Telangana, INDIA.
E-Mail : vineetlaboratories@gmail.com





5. Simultaneously, Rs.20,40,00,000 will be transferred from the authorized share capital of the Demerged Company to the authorized share capital of the resulting Company pursuant the Scheme of Arrangement. As a result, the authorized share capital of the Resulting Company will be increased from Rs. 41,00,000 to Rs. 10,81,00,000 divided into 1,08,10,000 shares of Rs. 10/- each.

4. Pursuant to the Scheme of arrangement, the following will be the scenario:

Group I headed by Mr. S. Murali Krishna Murthy and his family members in the demerged company will continue as promoters of OLL (demerged company) and the other Group (Group – II headed by Mr. G. Venkata Ramana and his family members and associates) 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 of Demerged Company 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).

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 public shareholders will not have any adverse impact pursuant to the Scheme of Arrangement. A shareholder, prior to the demerger who is holding 100 shares of Rs. 10/- each in Ortin Laboratories Limited (demerged company) will be in post demerger scenario holding 48 equity shares of Rs. 10 each in Ortin Laboratories Limited and 52 equity shares of Rs. 10/- each in Vineet Laboratories Limited (resulting company)





4. The Scheme of Arrangement between between Ortin Laboratories Limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) and their respective Shareholders and Creditors ("**Scheme**"), was approved by the Board of Directors of the Company taking in to consideration the rationale, the Valuation Report dated 13.04.2018 issued by Mr. M. Madhusudhana Reddy, Registered Valuer and the Fairness Opinion Certificate dated 26.04.2018, issued by Quintessence Enterprises Private Limited, SEBI Registered Category I Merchant Banker, on the Share Exchange Ratio recommended by the Registered Valuer, Mr. M. Madhusudhana Reddy, Registered Valuer, opining that the Share Exchange Ratio is fair.

5. The Share Exchange Ratio as recommended by the Valuer is as follows:

**Demerged Company (Ortin Laboratories Limited):**

48 Equity shares of Rs. 10/- each (fully paid-up) of Demerged Company shall be issued in lieu of 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.

**Resulting Company (Vineet 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 (fully paid-up) held by the shareholders in Demerged Company amounting to 88,89,018 equity shares of Rs. 10/- each

**REPORT:**

1. There is no inter-company shareholding.

2. Upon sanction of this Scheme by the Hon'ble Tribunal and other appropriate authorities and on transfer of the API Intermediates Division to the resulting Company, the issued, subscribed and paid up share capital of the Resulting Company shall be increased by issuing and allotting 52 Equity shares of Rs. 10/- each (fully paid-up) of Resulting Company for every 100 (hundred) Equity Shares of Rs. 10/- each (fully paid-up) held by the shareholders in Demerged Company amounting to 88,89,018 equity shares of Rs. 10/- each. As a result, the issued, subscribed and paid up share capital of the Resulting Company shall increase from Rs. 41,00,000 to Rs. 9,21,90,180 comprising of 92,19,018 equity shares of Rs.10/- each without any further act or deed.





As far as the Present Shareholders of the Company are concerned (Promoter Shareholders as well as Non-Promoter Shareholders), pursuant to the scheme of arrangement there will be a change in the holding of the Promoter Shareholders and non-promoter shareholders which is given below.

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

| Category | No. of shares | % paid-up capital after demerger |
|---|---|---|
| Promoters | 26,91,323 | 29.19 |
| Public | 65,27,695 | 70.81 |
| Total | 92,19,018 | 100.00 |

5. 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 "Key Managerial Personnel" those who are in charge of their respective undertakings in the demerged company will continue to serve in their respective undertakings in the post scheme of demerger.

For Vineet Laboratories Limited

Gaddam Venkata Ramana
Director

Place: Hyderabad
Date: 14.08.2019





Annexure-5

ORTIN LABORATORIES LIMITED Ortin

## INDEPENDENT AUDITORS' REPORT

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

**Report on the IND AS Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Ortin Laboratories Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and Other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**"We have determined that there are no key audit matters to communicate in our report."**





Ortin ORTIN LABORATORIES LIMITED

**Management's Responsibility for the Standalone Financial Statements**

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, including other Comprehensive Income, statement of changes in equity, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





ORTIN LABORATORIES LIMITED Ortin

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 so far as it 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 Flow dealt with by this 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 in "Annexure B". 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 and 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 in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**( 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) In respect of its 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) In respect of its 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 information given to us, the company has not given any loans, has not done any investment, not 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 76 of the Companies Act and the rules framed there under; therefore the provisions of this clause is not applicable to the Company.

(vi) As 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 dues payable on account of income tax or sales tax or wealth tax or service 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.

(viii) 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.

(ix) According to the information and explanation to us, the company has no moneys raised by way of public offers (including debt instruments) no has the company taken any term loan.

(x) 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.

(xi) 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.

(xii) The company is not a Nidhi Company.

(xiii) 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;

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Hyderabad
Date : 30-05-2019







**Annexure - B to INDEPENDENT AUDITOR'S REPORT**
**even date on 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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







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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Hyderabad
Date : 30-05-2019







**Balance Sheet as at Year Ended 31.03.2019** (Rs.in Lakhs)

| Particulars | Note No. | 2019 | 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property plant and Equipment | 2.1 | 2,120.05 | 2,003.40 |
| Capital Work In progress | | 53.41 | 48.21 |
| Financial assets | | | |
| Investments | 2.2 | 0.43 | 7.85 |
| Other financial assets | 2.3 | 70.68 | 67.47 |
| Other non current assets | 2.4 | 24.40 | 11.91 |
| | | **2,268.69** | **2,138.84** |
| **Current assets** | | | |
| Inventories | 2.5 | 3,885.70 | 2,401.93 |
| Financial assets | | | |
| Trade receivables | 2.6 | 3,783.04 | 2,194.80 |
| Cash and cash equivalent | 2.7 | 214.35 | 108.22 |
| Other financial assets | 2.3 | 33.23 | 21.81 |
| Other current assets | 2.4 | 473.78 | 440.80 |
| | | 8,290.10 | 5,168.51 |
| **TOTAL** | | **10,558.62** | **7,306.35** |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| Equity Share Capital | 2.8 | 1,094.04 | 1,094.04 |
| Other Equity | 2.9 | 616.35 | 713.77 |
| | | **2,060.39** | **1,807.81** |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.1 | 181.18 | 148.20 |
| Deferred tax liabilities (net) | 2.11 | 254.97 | 202.82 |
| Other non-current liabilities | 2.12 | 260.69 | 308.12 |
| Long Term Provisions | 2.13 | 52.01 | 25.89 |
| | | **751.86** | **756.30** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 2.1 | 1,473.59 | 1,468.86 |
| Trade payables | 2.14 | 4,759.65 | 1,818.33 |
| Other financial liabilities | 2.15 | 667.75 | 542.42 |
| Liabilities for current tax (net) | | | |
| Provisions | 2.16 | 74.13 | 38.75 |
| Other current liabilities | 2.12 | 42.45 | 56.89 |
| | | **7,017.58** | **4,102.25** |
| **TOTAL** | | **10,558.62** | **7,306.35** |
| | | 0.00 | 3.80 |

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

As per our report of even date
**For Sathuluri & Co.,**
Chartered Accountants
Firm Regn No: 006383S
S.S.Prakash
Proprietor
M.No. 202710
FRN No. 006383S
Place: Hyderabad
Date: 15.08.2019

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

Sd/- **S. MURALI KRISHNA MURTHY** Managing Director (DIN: 00640822)

Sd/- **G. VENKATA RAMANA** Joint Managing Director (DIN: 00651873)

Sd/- **Ms. SATYA NARAYANA RAJU** Whole-time Director cum CFO (DIN: 02697080)

Sd/- **Bhavani Sangani Shinde** Company Secretary







**Statement of Profit & Loss for Year Ended 31.03.2019** (Rs.in Lakhs)

| Particulars | Note No. | 2019 | 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 2.17 | 15,778.19 | 6,062.18 |
| Other income | 2.18 | 12.78 | 45.03 |
| **Total Revenue** | | **15,790.96** | **6,107.22** |
| **Expenses** | | | |
| Cost of materials consumed | 2.19 | 14,104.45 | 5,629.58 |
| Changes in inventories | 2.2 | -412.95 | 139.97 |
| Employee benefits expense | 2.21 | 425.47 | 332.28 |
| Finance costs | 2.22 | 321.73 | 340.68 |
| Depreciation and amortization expense | 2.1 | 175.29 | 180.55 |
| Other expenses | 2.23 | 2,321.18 | 1,430.64 |
| **Total Expenses** | | **16,935.16** | **6,055.42** |
| Profit/(Loss) before exceptional items | | **103.80** | **60.04** |
| Exceptional items | | - | - |
| Profit/(Loss) before tax | | **103.80** | **60.04** |
| Tax expense | | | |
| Current tax | 50.15 | 38.75 | |
| Deferred tax | 2.94 | -52.95 | |
| Previous year | | 3.80 | 16.31 |
| **Net Profit for the Period** | | **128.80** | **57.92** |
| **Other comprehensive income (OCI)** | | | |
| Items that will not be reclassified to profit or loss | | (26.42) | - |
| Tax on items that will not be reclassified to profit or loss | | - | - |
| | | **(26.42)** | - |
| Items that will be reclassified to profit or loss | | | |
| Tax on items that may be reclassified to profit or loss | | - | - |
| Items that may be reclassified subsequently to profit or loss | | - | - |
| Total other comprehensive income/(loss) for the year, net of tax | | **(26.42)** | - |
| **Total comprehensive income for the year** | | **101.38** | **57.92** |
| Earnings per share: | | | |
| Basic earnings per share of 10/-each | | 0.79 | 0.48 |
| Diluted earnings per share of 10/-each | | 0.76 | 0.48 |

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

As per our report of even date
**For Sathuluri & Co.,**
Chartered Accountants
Firm Regn No: 006383S
S.S.Prakash
Proprietor
M.No. 202710
FRN No. 006383S
Place: Hyderabad
Date: 15.08.2019

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

Sd/- **S. MURALI KRISHNA MURTHY** Managing Director (DIN: 00640822)

Sd/- **G. VENKATA RAMANA** Joint Managing Director (DIN: 00651873)

Sd/- **Ms. SATYA NARAYANA RAJU** Whole-time Director cum CFO (DIN: 02697080)

Sd/- **Bhavani Sangani Shinde** Company Secretary







**Cash Flow Statement for the Year Ended 31st March, 2019** (Rs.in Lakhs)

| Particulars | Note No. | 2019 | 2018 |
|---|---|---|---|
| Cash Flows from Operating Activities | | | |
| Net profit before tax | | 183.80 | 96.04 |
| Adjustments for: | | | |
| Depreciation and amortization expense | | 175.29 | 180.55 |
| Profit on sale of assets | | - | -26.34 |
| Provision for gratuity | | 7.56 | - |
| Provision for bad debts amortment | | 16.67 | - |
| **Operating profit before working capital changes** | | **383.56** | **297.25** |
| **Movements in Working Capital** | | | |
| (Increase)/Decrease in Trade Receivables | | (1588.24) | -660.06 |
| (Increase)/Decrease in Other financial assets | | (1.42) | -9.51 |
| (Increase)/Decrease in Inventories | | (1483.77) | -428.02 |
| (Increase)/Decrease in Other Current Assets | | (32.98) | -84.14 |
| (Increase)/Decrease in Other Non Current Assets | | (12.54) | 150.94 |
| Increase/(Decrease) in Trade Payables | | 3,181.41 | 665.32 |
| Increase/(Decrease) in Other financial liabilities | | (74.67) | 172.38 |
| Increase/(Decrease) in Other Current liabilities | | (14.45) | 38.28 |
| Increase/(Decrease) in Other Non Current liabilities | | (78.51) | 78.14 |
| Increase/(Decrease) in Provisions | | | 0.08 |
| **Changes in Working Capital** | | **(10.19)** | **6.38** |
| **Cash generated from operations** | | **373.36** | **213.63** |
| Interest received on Deposits | | | |
| Direct Taxes Paid | | (42.36) | -57.82 |
| **Net Cash from operating activities (A)** | | **331.01** | **155.81** |
| Cash flows from Investing Activities | | | |
| Purchase of Fixed Assets | | (300.53) | -118.14 |
| Sale of Fixed Assets | | | 40.48 |
| Changes in Capital Work In Progress | | (13.20) | -5.08 |
| Changes in Other Non Current Financial assets | | (12.22) | -10.22 |
| Purchase/Sale of Investment | | (0.55) | -0.04 |
| **Net Cash used in Investing Activities** | | **(326.50)** | **-93.74** |
| Cash flows from Investing Financing Activities | | | |
| Proceeds from Long term borrowings | | 32.92 | 6.67 |
| Repayment/Proceeds/ offers Short-term borrowings | | - | - |
| **Net Cash used in Financing Activities** | | **32.92** | **6.67** |
| **Net Increase/Decrease in cash and cash equivalents** | | **37.43** | **72.74** |
| **Cash and Cash equivalents at the beginning of the year** | | **(1256.72)** | **(1329.46)** |
| **Cash and Cash equivalents at the ending of the year (Refer Note 2.7)** | | **(1219.29)** | **(1256.72)** |

Notes - 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements" (INDAS-7)
2. The accompanying notes are an integral part of the financial statements.

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

As per our report of even date
**For Sathuluri & Co.,**
Chartered Accountants
Firm Regn No: 006383S
S.S.Prakash
Proprietor
M.No. 202710
FRN No. 006383S
Place: Hyderabad
Date: 15.08.2019

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

Sd/- **S. MURALI KRISHNA MURTHY** Managing Director (DIN: 00640822)

Sd/- **G. VENKATA RAMANA** Joint Managing Director (DIN: 00651873)

Sd/- **Ms. SATYA NARAYANA RAJU** Whole-time Director cum CFO (DIN: 02697080)

Sd/- **Bhavani Sangani Shinde** Company Secretary

**Notes to Financial Statements**

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

**A. General Information**

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

**B. Basis of preparation and presentation of Financial Statements**

The financial statements of Ortin Laboratories Limited ( the company) have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

***Basis of Measurement***

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

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

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

**C. Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:





**i) Depreciation and amortization**

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

**ii) Employee Benefits**

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

**iii) Provision and contingencies**

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

**iv) Fair valuation**

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

**D. Functional and presentation currency**

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

**E. Current and noncurrent classification**

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

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

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

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or





- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

**F. Foreign Currency Transaction**

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

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

Significant Accounting Policies

**1) Property Plant & Equipment**

***Recognition and measurement***

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

***Directly attributable costs include:***

a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
b. Cost of Site Preparation
c. Initial Delivery & Handling costs.
d. Professional Fees and
e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they





are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

***Depreciation***

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

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

The estimated useful lives are as follows:

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





Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable mount is higher of the value in use or fair value less cost to sell.

**2) Financial Instruments**

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

**Financial assets**

*Initial recognition and measurement*

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

**Subsequent measurement**

*Debt instrument at FVTPL*

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

*Investment in equity instruments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.





Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

***Derecognition***

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

***Impairment of trade receivables***

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

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.





***Financial liabilities***

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

*Subsequent measurement*

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

*Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

*Fair value measurement*

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

**i) Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

**ii) Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

**iii) Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

**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 realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes





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

**4) Impairment of non-financial assets**

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

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

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**5) Cash & Cash Equivalents**

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





accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. 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 unclaimed dividend balances shall be disclosed as restricted cash balances.

**6) Employee Benefits**

***Short term employee benefits***

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

***Defined Contribution Plan***

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

***Defined Benefit Plans***

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

***Termination benefits***

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

***Other long-term employee benefits***

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

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

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

***Contingent liabilities***

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

***Contingent assets***

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

***8) Revenue Recognition***

**Sale of goods and trade license**

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 recognised. 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 the comparative information in the statement of profit and loss is not restated – i.e. 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 a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

The company receives export incentives in the form of MEIS 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 guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

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

**10) Tax Expenses**

Tax expense consists of current and deferred tax.

***Income Tax***

Income tax expense is recognized in the statement of profit and loss except to the extent





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

***Deferred Tax***

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

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

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax 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 deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**12) Trade receivables**

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

**13) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are





presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**Determination of fair values**

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

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

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

**(ii) Intangible assets**

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

**(iii) Inventories**

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

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

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.





Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**(v) Derivatives**

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

**(vi) Non-derivative financial liabilities**

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





**2.1 : Property, plant and equipment**

| Particulars | Gross carrying value | | | | Accumulated depreciation / Impairment | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2017 | Additions | Disposals | As at 31 March 2018 | As at 1 April 2017 | For the year | Impairment for the year | Disposals | As at 31 March 2018 | As at 31 March 2018 |
| Land | 53.57 | - | - | 53.57 | - | - | - | - | - | 53.57 |
| Factory building | 433.99 | 5.40 | - | 501.47 | 43.13 | 20.20 | - | - | 63.33 | 438.14 |
| Administrative building | - | - | - | - | - | - | - | - | - | - |
| Plant & machinery | 1,089.17 | 206.37 | - | 1,295.54 | 220.60 | 122.76 | - | - | 343.36 | 952.18 |
| Testing equipment | 96.76 | 13.95 | - | 110.71 | 12.81 | 4.32 | - | - | 17.13 | 93.58 |
| Furniture & fixtures | 51.37 | 5.49 | - | 56.86 | 7.47 | 5.41 | - | - | 12.88 | 43.98 |
| Electrical fittings | 28.84 | 13.80 | - | 42.65 | 21.76 | 5.96 | - | - | 27.72 | 14.93 |
| Vehicles | 30.74 | 5.18 | - | 35.92 | 15.18 | 1.79 | - | - | 16.97 | 18.95 |
| Other Assets | 17.52 | 3.58 | - | 21.10 | 13.91 | 0.93 | - | - | 14.84 | 6.26 |
| Computer | 5.33 | 2.20 | - | 7.53 | 3.92 | 1.31 | - | - | 5.23 | 2.30 |
| Air conditioner | 3.87 | 1.56 | - | 5.43 | 1.81 | 1.36 | - | - | 3.17 | 2.26 |
| Water softener | 2.38 | 0.90 | - | 3.28 | 1.41 | 0.42 | - | - | 1.83 | 1.45 |
| | 2,321.38 | 258.43 | - | 2,579.81 | 542.00 | 164.27 | - | - | 706.27 | 1,873.54 |
| Capital Work in progress | 40.2164 | 6 | - | 46.2164 | - | - | - | - | - | 46.2164 |
| | 2,361.6164 | 264.43 | - | 2,626.0164 | 542.00 | 164.27 | - | - | 706.27 | 1,919.7564 |

| Particulars | Gross carrying value | | | | Accumulated depreciation / Impairment | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2018 | Additions | Disposals | As at 31 March 2019 | As at 1 April 2018 | For the year | Impairment for the year | Disposals | As at 31 March 2019 | As at 31 March 2018 |
| Land | 53.57 | - | - | 53.57 | - | - | - | - | - | 53.57 |
| Factory building | 501.47 | 15.22 | - | 516.69 | 63.33 | 20.72 | - | - | 84.05 | 438.14 |
| Administrative building | 47.72 | 3.34 | - | 51.06 | 0.19 | 1.15 | - | - | 1.34 | 49.72 |
| Plant & machinery | 1,295.54 | 84.83 | 7.84 | 1,372.53 | 343.36 | 119.16 | - | - | 462.52 | 952.18 |
| Testing equipment | 110.71 | 7.28 | - | 117.99 | 17.13 | 4.25 | - | - | 21.38 | 96.61 |
| Furniture & fixtures | 56.86 | - | - | 56.86 | 12.88 | 4.23 | - | - | 17.11 | 43.75 |
| Electrical fittings | 42.65 | - | - | 42.65 | 27.72 | 7.35 | - | - | 35.07 | 14.93 |
| Vehicles | 35.92 | 14.62 | - | 50.54 | 16.97 | 13.40 | - | - | 30.37 | 19.57 |
| Other Assets | 21.10 | - | 15.37 | 5.73 | 14.84 | 14.37 | - | 5.80 | 23.41 | 6.26 |
| Computer | 7.53 | - | - | 7.53 | 5.23 | 1.14 | - | - | 6.37 | 2.30 |
| Air conditioner | 5.43 | - | - | 5.43 | 3.17 | 1.14 | - | - | 4.31 | 2.26 |
| Water softener | 3.28 | - | - | 3.28 | 1.83 | 0.75 | - | - | 2.58 | 1.45 |
| | 2,579.81 | 125.29 | 23.21 | 2,681.89 | 706.27 | 187.46 | - | 5.80 | 887.93 | 1,873.54 |
| Capital Work in progress | 46.2164 | 9 | - | 55.2164 | - | - | - | - | - | 46.2164 |
| | 2,626.0164 | 134.29 | 23.21 | 2,737.1064 | 706.27 | 187.46 | - | 5.80 | 887.93 | 1,919.7564 |





**2.2 Investments**

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

**2.3 Other Financial Assets**

| Particulars | 2019 | | 2018 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Deposits with IL and FS | - | - | - | 13.00 |
| NSC Bond | - | - | - | 0.15 |
| Security Deposit with APCPDCL | - | - | - | 53.62 |
| Security Deposit with Singareni Colonies | - | - | - | 0.70 |
| Deposits with Others | - | 79.69 | - | - |
| Deposit for rentals | - | - | - | - |
| Deposit with CPD | - | - | - | - |
| Deposits with Others | 26.72 | - | 26.47 | - |
| Interest Receivable | 4.50 | - | 5.34 | - |
| **TOTAL** | 33.23 | 79.69 | 31.81 | 67.47 |





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

| Particulars | 2019 | | 2018 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Deposits with Statutory authorities | - | - | - | 0.35 |
| Prepaid Expenses | - | - | 0.02 | - |
| Income Tax refund FY 2012-13 | - | - | 2.02 | - |
| Income Tax refund FY 2017-18 | 8.38 | - | 3.78 | - |
| Mumbai Sales tax deposit | 38.69 | - | 22.09 | - |
| GST Input credit | 3.15 | - | 181.06 | - |
| ST Input Credit | 88.88 | - | 86.98 | - |
| Loans and advances staff | - | - | 0.11 | - |
| Maharashtra Vat tax paid | - | - | 17.36 | - |
| Advance for packing material | - | - | 1.06 | - |
| Creditors for goods | 114.37 | - | 103.36 | - |
| Excise Duty Claim Receivable on Export | - | 1.76 | 0.03 | - |
| TDS Receivable from parties | - | - | 2.48 | - |
| Excise duty appeal fee | - | - | - | 1.76 |
| Consol credit deferred | - | - | - | 0.00 |
| Consol credit | - | 0.00 | - | 0.05 |
| Vat input credit receivable | - | - | - | - |
| Excise paid under protest | - | - | - | 2.90 |
| Deferred GST | - | - | - | 4.14 |
| Deferred Excise Duty | - | - | - | - |
| Advance Tax | 25.00 | - | - | - |
| TDS receivable | 3.84 | 13.34 | 25.51 | - |
| Advance others | 190.11 | 19.36 | - | 2.70 |
| **TOTAL** | 477.73 | 34.46 | 447.08 | 11.91 |

**2.5 Inventories**

| Particulars | 2019 Current | 2018 Current |
|---|---|---|
| Raw materials | 2,701.11 | 239.00 |
| Finished goods | 944.69 | 2,147.69 |
| Packing materials | - | 24.27 |
| **TOTAL** | 3,645.79 | 2,411.93 |

The mode of valuation of inventories has been stated in Note ... Of Significant Accounting Policies
Inventories hypothecated as security for availing working capital facilities from banks





**2.6 Trade receivables**

| Particulars | 2019 Current | 2018 Current |
|---|---|---|
| Trade Receivables | - | - |
| Unsecured, considered good | 3,703.04 | 2,220.76 |
| Less: Allowances for credit losses | - | -43.66 |
| **TOTAL** | 3,703.04 | 2,194.09 |

Trade Receivables hypothecated as security for availing working capital facilities

**Movement of Impairment in Trade Receivables**

| Particulars | Amount |
|---|---|
| As at 1st April, 2018 | (43.11) |
| Reversal of Impairment | 9.52 |
| As at 1st April, 2017 | (33.59) |
| Add: additional allowance of expected credit loss | (13.27) |
| As at March 31, 2018 | (43.80) |
| Reversal of Impairment | 43.80 |
| As at March 31, 2019 | 0.00 |

**2.7 Cash and Cash Equivalents**

| Particulars | 2019 | 2018 |
|---|---|---|
| a) Cash and Cash equivalents | | |
| i) Cash on hand | 10.39 | 41.35 |
| ii) Balances with banks | | |
| - Current Accounts | 38.58 | 75.00 |
| - Fixed Deposits | - | 10.10 |
| b) Other Bank Balances (with restricted use) | | |
| Margin Money Deposit Accounts against Bank Guarantees | 125.22 | 92.63 |
| **Total** | 214.30 | 169.22 |

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

| Particulars | 2019 | 2018 |
|---|---|---|
| Cash and Cash Equivalents/ Bank Balances | 214.30 | 169.22 |
| Less: Bank OD & CC to be classified as Cash & Cash Equivalents | (1473.59) | (1465.95) |
| Cash and Cash Equivalents/ Bank Balances | (1259.29) | (1296.73) |

ORTIN LABORATORIES LIMITED

### 2.8 Share Capital

| Particulars | 2019 | 2018 |
|---|---|---|
| **Authorised Share Capital** | | |
| 13,000,000 Equity Shares of Rs.10 each | 2,000.00 | 2,000.00 |
| (Previous year 20,00,000 Equity Shares of Rs.10 each) | | |
| **Issued Subscribed and Paid up Share Capital** | | |
| 1,69,40,400 equity shares of Rs.10/- each fully paid-up | 1,694.04 | 1,694.04 |
| (Previous year 1,69,40,400 Equity Shares of Rs.10 each, fully paid up) | | |
| | **1,694.04** | **1,694.04** |

### 2.8.1 Reconciliation of Number of Shares

| Particulars | 2019 | 2018 |
|---|---|---|
| Number of Shares at the beginning of the year | 16,940,400 | 16,940,400 |
| Add: Shares issued during the year | - | - |
| Number of Shares at the end of the year | 16,940,400 | 16,940,400 |

### 2.8.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 2.9 Other Equity

| Particulars | 2019 | 2018 |
|---|---|---|
| **Share Forfeiture reserve** | | |
| Opening Balance | 64.53 | 64.53 |
| Add: Shares issued during the year | - | - |
| | 64.53 | 64.53 |
| Capital Reserve | | |
| Opening Balance | 21.23 | 21.23 |
| Surplus in the Statement of Profit and Loss | | |
| Opening Balance | 628.02 | 560.10 |
| Add: Net profit transferred from the Statement of Profit and Loss | 128.00 | 67.92 |
| | 756.02 | 628.02 |
| Less: Appropriations | | |
| ECL on Trade Receivables | - | - |
| Net change in fair value of FVTPL investments and others | | |
| Actuarial gain or loss on employee defined benefit plan | (28.42) | |
| Closing Balance | 728.60 | 628.02 |
| **Total** | **813.35** | **713.77** |





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### 2.10 Borrowings

| Particulars | 2019 | | 2018 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Secured Borrowings: | | | | |
| Term Loan from banks | - | 133.83 | - | 119.04 |
| Vehicle Loans | - | 36.19 | - | 18.37 |
| H/Ownes sales tax deposit | - | 11.16 | - | 11.16 |
| Unsecured Borrowings | | | | |
| Cash Credit | 1,473.69 | - | 1,465.95 | - |
| **Total** | **1,473.69** | **181.18** | **1,465.95** | **148.56** |

### 2.11 Deffered Tax Liabilities

| Particulars | 2019 | 2018 |
|---|---|---|
| Opening Balance | 252.92 | 305.07 |
| Add/ (Decrease) of difference in Net Block | 2.04 | (52.05) |
| **Closing Balance** | **254.97** | **252.92** |

### 2.12 Other Non Current Liabilities & Current liabilities

| Particulars | 2019 | | 2018 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Loan from Directors | - | 166.22 | - | 257.66 |
| Loan from Others | - | 96.18 | - | 111.95 |
| Advance from customers | 42.45 | - | 56.89 | - |
| Security Deposit | - | 0.21 | - | 0.21 |
| **Total** | **42.45** | **262.60** | **56.89** | **369.12** |

### 2.13 Long Term Provisions

| Particulars | 2019 | 2018 |
|---|---|---|
| Provision for Gratuity and Employee Benefits | | |
| Provision for Employee Benefits (Gratuity) | 41.86 | 25.14 |
| Provision for Employee Benefits (Leave encashment) | 11.05 | 0.90 |
| **Closing Balance** | **52.91** | **26.04** |

### 2.14 Trade Payables

| Particulars | 2019 | 2018 |
|---|---|---|
| Due to Micro & Small Enterprises | - | - |
| Dues to others | 4,750.65 | 1,850.23 |
| **Total** | **4,750.65** | **1,850.23** |





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### 2.15 Other financial liabilities

| Particulars | 2019 | 2018 |
|---|---|---|
| | Current | Current |
| Current Maturities of LTD | - | 130.19 |
| Bills Payable | 599.66 | 690.07 |
| Staff Creditors | 47.25 | 46.76 |
| Liability for Expenses | 220.84 | 175.51 |
| **Total** | **867.75** | **942.42** |

### 2.16 Provisions

| Particulars | 2019 | 2018 |
|---|---|---|
| Provision for tax | 50.15 | 38.75 |
| Provision for Gratuity | 18.25 | |
| Provision for Leave encashment | 5.62 | |
| **Total** | **74.13** | **38.75** |

### 2.17 Revenue from operations

| Particulars | 2019 | 2018 |
|---|---|---|
| **Revenue from :** | | |
| Operating Activities | 18,326.23 | 7,970.37 |
| Add: Excise Duty | - | 90.97 |
| Add: Other Operating Income | 449.96 | 0.85 |
| **Revenue from operations** | **18,776.19** | **8,062.19** |

### 2.18 Other income

| Particulars | 2019 | 2018 |
|---|---|---|
| Interest Received | 7.53 | 19.04 Profit |
| on Foreign Exchange Fluctuation | (2.00) | - |
| Discount on Purchase | - | - |
| Rental charges- mobiliane tower | - | 0.12 |
| Service Charges Income | - | 0.06 |
| Subsidy on Electrical Charges | - | - |
| Commission on Sales | - | - |
| Miscellaneous Income | 4.71 | 4.76 |
| Profit on Sale of Asset | - | 25.34 |
| Insurance Claim Received | - | - |
| Net gain on Fair value measurement of investments | 0.55 | |
| **Total** | **12.78** | **49.33** |





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### 2.19 Cost of materials consumed

| Particulars | 2019 | 2018 |
|---|---|---|
| Raw Material | | |
| Purchases | 14,796.58 | 6,384.94 |
| Add: Opening Stock | 2,106.03 | 1,368.30 |
| | 16,905.59 | 7,777.24 |
| Less: Closing Stock | 2,751.11 | 2,147.66 |
| | 14,154.48 | 5,629.58 |
| **Total** | **14,154.48** | **5,629.58** |

### 2.20 Changes in inventories

| Particulars | 2019 | 2018 |
|---|---|---|
| Finished goods | | |
| Opening | 271.63 | 368.37 |
| Closing | 944.59 | 244.80 |
| | **(672.96)** | **123.57** |
| | **(672.96)** | **123.57** |

### 2.21 Employee benefits expense

| Particulars | 2019 | 2018 |
|---|---|---|
| Salaries & Wages | 203.04 | 226.49 |
| Director Remuneration | 57.85 | 62.86 |
| Contribution to provident and other funds | 20.21 | 16.82 |
| Staff Welfare, Recruitment Expenses | 26.31 | 23.33 |
| Other Allowances | - | - |
| Leave encashment | 16.07 | - |
| Bagnate & Gratuity | 8.49 | 1.28 |
| | **425.47** | **332.28** |

### 2.22 Finance costs

| Particulars | 2019 | 2018 |
|---|---|---|
| Interest Expense | 274.15 | 278.80 |
| Other borrowing costs | 46.58 | 69.86 |
| | **321.73** | **348.66** |





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### 2.23 Other expenses

| Particulars | 2019 | 2018 |
|---|---|---|
| Rates and taxes | 16.95 | 5.34 |
| Insurance | 21.39 | 5.11 |
| Legal and Professional charges | 21.19 | 22.52 |
| ROC Expenses | 0.03 | 0.30 |
| Stamp Duty | - | - |
| Communication expenses | 8.09 | 6.86 |
| Travel & conveyance expenses | 14.01 | 02.62 |
| Rent Office & Godown | 8.41 | 0.57 |
| Power & Fuel | 580.93 | 410.13 |
| Sales & Business Promotion | 5.44 | 7.12 |
| Payment to Auditors | - | - |
| Statutory audit | 2.00 | 2.00 |
| Tax audit | - | - |
| Taxation and Other Matters | - | - |
| Cost Audit Fees | - | - |
| Repairs & Maintenance Expenses | 35.24 | 125.84 |
| Consumption of Stores | 279.26 | 147.80 |
| Discount & Rebate | 24.67 | 8.43 |
| Freight & Transportation | 133.42 | 20.66 |
| Labour Wages | 493.38 | 302.63 |
| Security Charges | 15.06 | 16.37 |
| Printing & Stationery | 13.93 | 8.40 |
| Miscellaneous expenses | 114.91 | 97.55 |
| Job Work Charges | 441.22 | 72.68 |
| Customs Duty | - | 5.77 |
| Interest Paid to Sinedhi mfrs Ltd | - | - |
| CSR | 03.08 | 0.37 |
| VAT Input Disallowed | - | - |
| Maharashtra VAT Tax. - Penalty paid | - | - |
| Expected Credit Loss | (41.86) | 13.27 |
| Excise Duty | - | 90.97 |
| | **2,391.16** | **1,498.94** |





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### 2.24 Recent Accounting Pronouncements.

**Ind AS 116,Leases :**

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

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

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

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





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### 2.26 Auditors Remuneration

(Amount in Rs.Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| a) Audit fees | 2.00 | 2.00 |
| b) Other charges | | |
| Taxation matters | | - |
| **TOTAL** | **2.00** | **2.00** |

### 2.27 Earnings per Share

(Amount in Rs.Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **Earnings** | | |
| Profit attributable to equity holders | **128.00** | **67.92** |
| **Shares** | | |
| Number of shares at the beginning of the year | 169.40 | 169.40 |
| Add/ Equity shares issued | - | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 169.40 | 169.40 |
| **Weighted average number of equity shares outstanding during the year – Basic** | **169.40** | **169.40** |
| Add/ Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| **Weighted average number of equity shares outstanding during the year – Diluted** | **169.40** | **169.40** |
| **Earnings per share of par value Rs.10/- – Basic ( ₹)** | **0.76** | **0.40** |
| **Earnings per share of par value Rs.10/- – Diluted ( ₹)** | **0.76** | **0.40** |

### 2.28 Related Parties

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

- Mr. S. Murali Krishna Murthy – Managing Director
- Mr. G Venkata Ramana - Joint Managing Director
- Mr. S. Mohan Krishna Murthy – Whole Time Director
- Mr. S. Balaji Venkateswerulu – Whole Time Director
- Mr. S. Srinivas Kumar – Whole Time Director
- Bh. Satyanarayana Raju – Whole Time Director
- Ms. J R K Purabvaraga Rao – Independent Director
- Mr. K. Pradyumna Teja – Independent Director
- Mr. T. Seshagiri – Independent Director
- Mr. B. Gopala Reddy – Independent Director
- Mr. Bh. Satyanarayana Raju – CFO
- Mr. Sharvari Swapnil Shinde-Company Secretary





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The following is a summary of significant related party transactions: (Amount in Rs.Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **a) Key managerial personnel** | | |
| **Remuneration** | | |
| Mr. S. Murali Krishna Murthy | 5.40 | 5.40 |
| Mr. S. Mohan Krishna Murthy | 2.85 | 2.85 |
| Mr. S. Balaji Venkateswerulu | 5.40 | 5.40 |
| Mr. S. Srinivas Kumar | 5.40 | 5.40 |
| Mr. G Venkata Ramana | 21.23 | 19.81 |
| Mr. Bh. Satyanarayana Raju | 16.50 | 15.00 |
| Mr. Sharvari Swapnil Shinde | 1.80 | 0.50 |
| ***Sitting Fee:*** | | |
| Mr. J R K Pentavaraga Rao | 0.05 | 0.05 |
| Mr. M. Tapdaiya (Resigned 30.07.2018) | 0.02 | 0.05 |
| Mr. T. Seshagiri | 0.05 | 0.01 |
| Mr. B. Gopala Reddy | 0.05 | 0.04 |
| **TOTAL** | **58.75** | **54.51** |

**Other related party transactions** (Amount in Rs.Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| ***Sri sai krishna marketing associates-associate firm*** | | |
| Sales | 0.02 | 43.85 |
| Purchases | 6.75 | 16.82 |
| Trade Receivables | 178.33 | 165.73 |
| ***Mohler Laboratories Private Limited-associate company*** | | |
| Sales | 463.57 | 354.73 |
| Purchases | 402.64 | - |
| Trade Receivables (Payables) | - | 284.85 |
| ***Unsecured Loans received by the company*** | | |
| S. Balaji Venkatesharlu - Director | 7.18 | 20.39 |
| S. Mohan Krishna Murthy - Director | 20.68 | 38.89 |
| S. Murali Krishna Murthy - Managing Director | 31.41 | 44.42 |
| S. Srinivas Kumar-Director | 19.05 | 33.96 |
| Bh. Satyanarayana Raju - Director | 3.54 | 3.78 |
| G. Venkata Ramana - Joint Managing Director | (4.04) | 0.08 |
| Sinedhi Infra Limited-Entity in which directors are interested | 65.10 | 68.10 |

### 2.29 Segment Reporting

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





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### 2.30 Employee benefits

**Gratuity benefits**

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

The componentes of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2019 consist of the following: (Amount in Rs.Lakhs)

| Particulars | For the Years ended 31st March 2019 |
|---|---|
| Current service cost | 5.28 |
| Interest on net defined benefit liability / (asset) | 1.64 |
| **Gratuity cost recognized in statement of profit and loss** | **7.21** |

Details of changes in the present value of defined benefit obligations are as follows: (Amount in Rs.Lakhs)

| Particulars | As of 31 March 2019 |
|---|---|
| Defined benefit obligations at the beginning of the year | 28.32 |
| Current service cost | 5.28 |
| Interest on defined obligations | 1.64 |
| Re-measurements due to | |
| Actuarial loss/(gain) due to change in financial assumptions | - |
| Actuarial loss/(gain) due to demographic assumptions | - |
| Actuarial loss/(gain) due to experience changes | 23.04 |
| Benefits paid | - |
| **Defined benefit obligations at the end of the year** | **58.37** |

**Summary of Actuarial Assumptions:**

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

The assumptions used to determine benefit obligations:

| Particulars | For the Years ended 31st March 2019 |
|---|---|
| Discount rate | 7.65% |
| Salary Escalation | 5.00% |
| Mortality Rate | 100 % |
| Disability Rate | 0.30% |
| Withdrawal Rate | 5.0% to 2.0% |
| Normal Retirement Age | 60 Years |
| Adjusted Average Future Service | 9.44 |

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***Leave Encashment:***

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

**2.30 Income Taxes:**

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

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

(Amount in Rs Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Current taxes expense | | |
| Domestic | 53.78 | 38.75 |
| Prior year tax adjustments | - | 14.31 |
| Deferred taxes expense/(benefit) | | |
| Domestic | 2.04 | (52.95) |
| **Total income tax expense/ (benefit) recognized in the statement of profit and loss** | **55.80** | **0.11** |

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

(Amount in Rs Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **Profit before income taxes** | **183.80** | **68.04** |
| Enacted tax rate in India | 27.82% | 33.06% |
| **Computed expected tax benefit/(expense)** | **51.13** | **22.49** |
| **Effect of:** | | |
| Expenses not deductible for Tax purposes | 60.81 | 77.73 |
| Expenses deductible for Tax purposes | (61.76) | (61.48) |
| Taxable at Special Rates | - | - |
| **Income tax benefit/(expense) for the year** | **50.15** | **38.75** |
| **Effective tax rate** | **27.29%** | **56.95%** |

The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 27.29% and 56.95%, respectively.

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

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

(Amount in Rs Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **Deferred tax assets/(liabilities):** | | |
| **Property, plant and equipment** | **(254.97)** | **(252.92)** |
| **Net deferred tax assets/(liabilities)** | **(254.97)** | **(252.92)** |





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**2.31 Financial Risk Management:**

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

a. **Credit Risk:**

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

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Nil as at 31 March 2019 and Rs. 43.87 lakhs as at 31st March 2018.

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

(Amount in Rs Lakhs)

| Particulars | As of 31 March | |
|---|---|---|
| | 2019 | 2018 |
| **Period (in days)** | | |
| 1 – 90 | 3226.86 | 920.02 |
| 90 – 180 | 91.14 | 731.53 |
| More than 180 | 417.38 | 577.21 |
| **Total** | **3735.38** | **2228.76** |

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

*Financial assets that are neither past due nor impaired* - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2019.

***Reconciliation of allowance for credit losses***

The details of changes in allowance for credit losses during the year ended 31 March 2019 and 31 March 2018 are as follows:

(Amount in Rs Lakhs)

| Particulars | For the Year Ended 31 March | |
|---|---|---|
| | 2019 | 2018 |
| Balance at the beginning of the year | 3763.40 | 2228.76 |
| Impairment of Trade receivables | - | (43.87) |
| **Balance at the end of the year** | **3763.40** | **2184.90** |

***Liquidity Risks:***

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





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

(Amount in Rs Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **Profit before income taxes** | **183.80** | **68.04** |
| Enacted tax rate in India | 27.82% | 33.06% |
| **Computed expected tax benefit/(expense)** | **51.13** | **22.49** |
| **Effect of:** | | |
| Expenses not deductible for Tax purposes | 60.81 | 77.73 |
| Expenses deductible for Tax purposes | (61.76) | (61.48) |
| Taxable at Special Rates | - | - |
| **Income tax benefit/(expense) for the year** | **50.15** | **38.75** |
| **Effective tax rate** | **27.29%** | **56.95%** |

The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 27.29% and 56.95%, respectively.

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

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

(Amount in Rs Lakhs)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **Deferred tax assets/(liabilities):** | | |
| **Property, plant and equipment** | **(254.97)** | **(252.92)** |
| **Net deferred tax assets/(liabilities)** | **(254.97)** | **(252.92)** |

**2.31 Financial Risk Management:**

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

a. **Credit Risk:**

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





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Trade Receivables-The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables Impairment loss is provided Nil as at 31 March 2019 and Rs. 43.87 lakhs as at 31st March 2018.

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

(Amount in Rs Lakhs)

| Particulars | As of 31 March | |
|---|---|---|
| | 2019 | 2018 |
| **Period (in days)** | | |
| 1 – 90 | 3226.86 | 920.02 |
| 90 – 180 | 91.14 | 731.53 |
| More than 180 | 417.38 | 577.21 |
| **Total** | **3735.38** | **2228.76** |

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

*Financial assets that are neither past due nor impaired* - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2019.

***Reconciliation of allowance for credit losses***

The details of changes in allowance for credit losses during the year ended 31 March 2019 and 31 March 2018 are as follows:

(Amount in Rs Lakhs)

| Particulars | For the Year Ended 31 March | |
|---|---|---|
| | 2019 | 2018 |
| Balance at the beginning of the year | 3763.40 | 2228.76 |
| Impairment of Trade receivables | - | (43.87) |
| **Balance at the end of the year** | **3763.40** | **2184.90** |

***Liquidity Risks:***

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





ORTIN LABORATORIES LIMITED

As of 31 March 2019 and 2018, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31 March 2019, the Company had working capital (current assets less current liabilities) of Rs.986.45 lakhs including cash and cash equivalents of Rs.214.30 Lakhs and investments in FVTPL financial assets of Rs.8.40 lakhs. As of 31 March 2018, the Company had working capital of Rs. 1073.26 lakhs, including cash and cash equivalents of Rs. 169.22 lakhs and investments in FVTPL financial assets of Rs. 7.85 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019:

(Amount in Rs Lakhs)

| Particulars | 2020 | 2021 | 2022 | Thereafter | Total |
|---|---|---|---|---|---|
| Long term borrowings-Vehicle loan | 16.02 | 9.08 | 5.18 | 5.90 | **36.19** |
| Long term borrowings-Interest free Sales tax deposit | - | - | - | 11.16 | **11.16** |
| Bank overdraft, short-term loans and borrowings* | 17.88 | 17.88 | - | - | - |

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

***Market Risks:***

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Coffee Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity.

**Interest rate Risk**

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

**CAPITAL MANAGEMENT**

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

The company's Debt/Equity ratio is as follows:

| Particulars | 2019 | 2018 |
|---|---|---|
| Total Debt | 1947.17 | 1983.12 |
| Total Equity | 2509.39 | 2407.80 |
| **Debt Equity Ratio** | **0.78:1** | **0.82:1** |





ORTIN LABORATORIES LIMITED

**2.32 Contingent Liabilities and Commitments:**

The following are the details of contingent liabilities and commitments:

(Amount in Rs Lakhs)

| Particulars | 2019 | 2018 |
|---|---|---|
| **Contingent Liabilities** | | |
| a) **Letter of credit outstanding** | 599.96 | 600.76 |
| b) **Demand raised by excise department for FY 2010-11 to 2011-12** | 10.03 | 10.03 |
| c) **Demand raised by Income tax department for FY 2013-14 TO 2014-15** | 0.00 | 7.09 |
| d) **Demand raised by Income tax department for FY 2008-09, FY 2009-10 and FY 2010-11 *** | 1.43 | 88.20 |
| | **612.32** | **606.68** |

*** Tax deposited under protest Rs17.29 lakhs**





Annexure-6

Financial results for the quarter and half year ended September 30, 2019

| S.No | Particulars | Quarter ended 30-Sep-2019 (Unaudited) | Quarter ended 30-Jun-2019 (Unaudited) | Quarter ended 30-Sep-2018 (Unaudited) | Half Year ended 30-Sep-2019 (Unaudited) | Half Year ended 30-Sep-2018 (Unaudited) | Year ended 31-Mar-2019 (Audited) |
|---|---|---|---|---|---|---|---|
| | | 30-Sep-19 | 30-Jun-19 | 30-Sep-18 | 30-Sep-19 | 30-Sep-18 | 31-Mar-19 |
| 1 | Income | | | | | | |
| | Revenue from Operations | 1,241.05 | 1,010.10 | 1,012.30 | 2,251.15 | 2,088.19 | 3,776.19 |
| | Other Income (Net operating) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Income | 1,241.05 | 1,010.10 | 1,012.30 | 2,251.15 | 2,088.19 | 3,776.19 |
| 2 | Expenses | | | | | | |
| | a) Cost of Materials Consumed | 1,107.35 | 1,045.70 | 1,110.71 | 2,153.05 | 2,208.15 | 3,114.08 |
| | b) Purchase of stock-in-trade | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | c) Changes in inventories | 14.47 | 14.47 | 0.00 | 28.94 | 0.00 | 0.00 |
| | d) Employee benefits expense | 14.21 | 14.21 | 14.21 | 28.42 | 28.42 | 56.84 |
| | e) Depreciation and amortisation expense | 11.21 | 10.11 | 10.11 | 21.32 | 20.22 | 40.43 |
| | f) Other expenses | 102.21 | 98.00 | 97.00 | 200.21 | 198.00 | 396.00 |
| | Total Expenses (a-g) | 1,249.45 | 1,182.49 | 1,232.03 | 2,431.94 | 2,454.79 | 3,607.35 |
| 3 | Profit/(Loss) (1-2) | (8.40) | (172.39) | (219.73) | (180.79) | (366.60) | 168.84 |
| 4 | Other income | | | | | | |
| | Interest Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Prior period Tax | 0.00 | - | - | (14.31) | - | - |
| | | | | | (14.31) | | |
| 5 | Profit/(Loss) before tax (3-4) | (8.40) | (172.39) | (219.73) | (166.48) | (366.60) | 168.84 |
| 6 | Other comprehensive income | | | | | | |
| | (i) Items that will not be reclassified to profit or loss | | | | | | (0.00) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | (iii) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (iv) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Total other comprehensive income | | | | | | (0.00) |
| 7 | Total comprehensive income for the period (5+6) | (8.40) | (172.39) | (219.73) | (166.48) | (366.60) | 168.84 |
| 8 | Paid-up Equity Share Capital (Rs. 10/- per Equity Share) | 1,694.94 | 1,694.94 | 1,694.94 | 1,694.94 | 1,694.94 | 1,694.94 |
| 9 | Reserves excluding Revaluation Reserves (As at 31-Mar-2019) | | | | | | 815.55 |
| 10 | Earnings Per Share (EPS) (Rs. 10/- each) | | | | | | |
| | (a) Basic EPS | (0.05) | (1.02) | (1.30) | (0.98) | (2.16) | 0.99 |
| | (b) Diluted EPS | (0.05) | (1.02) | (1.30) | (0.98) | (2.16) | 0.99 |

Notes:

1. These financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of Companies Act 2013 read with Ind AS rules and other Accounting principles generally accepted in India.
2. The above Financial results are recommended for the Audit Committee were considered and approved by the Board of Directors at their meeting held on November 14, 2019.
3. The Statutory Auditors have carried out a limited review of the above Financial results for the quarter and half year ended September 30, 2019 in accordance with the Listing Obligations and Disclosure Requirements Regulations, 2015.
4. The company operates in one business segment, viz., manufacture of instant coffee, hence segment reporting as prescribed in Ind AS is not applicable.
5. The results for the Quarter ended 30th September, 2019 are not available in Statutory Stock Exchange website and in the Company's website.

For ORTIN LABORATORIES LIMITED

Sd/-

Venkata Ramana Kommineni

Managing Director

DIN: 01207119

Place: Hyderabad

Date: 14/11/2019

Corp. & Regd. Office : Plot No. 9-4-81/2/10 (48/B/1), Near Ambedkar Park, Sanathnagar, Hyderabad - 500 018, Telangana, INDIA. Phone : +91 40 27545757 / 91 98 3100 3100

website : www.ortinlaboratories.com email : info@ortinlaboratories.com

CIN : L15139TG1988PLC008855





**SATHULURI & CO.**

**CHARTERED ACCOUNTANTS**

**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. This statement is 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 Engagement (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Based on 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 specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting principles and policies has not disclosed the information required to be disclosed in terms of the regulation 33 of the SEBI (Listing Obligations and disclosure requirements) regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatements.

For Sathuluri & Co

Chartered Accountants

Firm Reg No.006958S

Sd/-

D.S.Prasad(P)

Proprietor

Membership No.202710

UDIN :- 19202710AAAACH3591

Place: Hyderabad

Date: 14/11/2019

Off.: 3-4-62/6, Gopanna Nilayam, Narayanaguda, Hyderabad - 500 027

Phone : (O) 040-27566797, Mobile : 9391686797; email : sathuluri93@gmail.com





Statement of Assets and Liabilities

| Particulars | As at 30-Sep-2019 (Unaudited) | As at 31-Mar-2019 (Audited) |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| **Property plant and Equipment** | 2,103.05 | 2,128.65 |
| **Capital Work Inprogress** | 84.08 | 53.41 |
| **Financial assets** | | |
| Investments | 8.92 | 8.44 |
| Other financial assets | 77.98 | 70.68 |
| **Other non current assets** | 37.22 | 34.16 |
| | **2,311.27** | **2,294.64** |
| **Current assets** | | |
| **Inventories** | 4,152.30 | 3,895.78 |
| **Financial assets** | | |
| Trade receivables | 2,563.72 | 3,783.04 |
| Cash and cash equivalent | 212.90 | 214.38 |
| Other financial assets | 31.81 | 33.23 |
| **Other current assets** | 392.38 | 477.75 |
| | **7,353.11** | **8,404.18** |
| **TOTAL** | **9,664.38** | **10,698.82** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Equity Share Capital | 1,694.94 | 1,694.94 |
| Other Equity | 756.23 | 815.55 |
| | **2,451.17** | **2,509.39** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| **Financial Liabilities** | | |
| Borrowings | 680.44 | 473.58 |
| **Deferred tax liabilities (net)** | 175.98 | 254.97 |
| **Long Term Provisions** | 85.93 | 92.91 |
| **Other Non-current liabilities** | 0.31 | 8.31 |
| | **942.65** | **781.68** |
| **Current liabilities** | | |
| **Financial Liabilities** | | |
| Borrowings | 1,466.67 | 1,473.59 |
| Trade payables | 4,187.40 | 4,759.65 |
| Other financial liabilities | 399.43 | 399.68 |
| **Provisions** | 8.76 | 74.13 |
| **Other current liabilities** | 234.84 | 310.94 |
| | **6,297.10** | **7,017.98** |
| **TOTAL** | **9,691.04** | **10,308.65** |

## Statement of Cash Flows

(Rupees Million)

| Particulars | Six Months ended | | Year ended |
|---|---|---|---|
| | As at Sept 30,2019 | As at Sept 30,2018 | As at March 31,2019 |
| Cash Flows from Operating Activities | | | |
| Profit before tax | 149.177 | 41.46 | 182.81 |
| Adjustments for | | | |
| Depreciation and amortization expense | 97.22 | 10.46 | 175.29 |
| Finance Cost | 182.72 | 14.65 | 312.72 |
| Profit on sale of assets | - | - | - |
| Provision for gratuity | - | - | 7.40 |
| Provision for leave encashment | - | - | 10.47 |
| Interest Income on Bank Deposits | 11.95 | - | - |
| Interest received on Deposits | - | - | - |
| Investments at Fair Value | (0.19) | 4.11 | (2.32) |
| Operating profit before working capital changes | 440.29 | 170.69 | 706.78 |
| Adjustments in Working Capital | | | |
| Increase/(Decrease) in Trade Receivables | 1,219.32 | (1,779.93) | (1,398.16) |
| Increase/(Decrease) in Other financial assets | 7.32 | 2.93 | (1.45) |
| Increase/(Decrease) in Inventories | (497.27) | (1,257.57) | (1,161.73) |
| Increase/(Decrease) in Other Current Assets | 80.27 | 9.06 | (29.39) |
| Increase/(Decrease) in Other Non Current Assets | 7.32 | 5.91 | (0.34) |
| Increase/(Decrease) in Trade Payables | 272.14 | 2,27.19 | 1,384.41 |
| Increase/(Decrease) in Other Financial liabilities | (0.72) | (72.87) | (14.67) |
| Increase/(Decrease) in Other Current liabilities | (76.10) | 16.67 | (14.64) |
| Increase/(Decrease) in Other Non Current liabilities | - | - | (76.71) |
| Increase/(Decrease) in Provisions | 12.20 | 9.72 | - |
| Changes in Working Capital | 1,024.48 | (1,799.49) | (1,412.67) |
| Cash generated from operations | 1,464.77 | (1,628.80) | (706.89) |
| Income Tax Paid | 166.75 | 3.19 | (40.56) |
| Net Cash flow operating activities (A) | 1,631.52 | (1,625.61) | (747.45) |
| Cash flow from Investing Activities | | | |
| Purchase of Fixed Assets | (200.61) | (116.35) | (189.23) |
| Sale of Fixed assets | - | - | - |
| Changes in Capital Work in Progress | (19.18) | (16.77) | (12.81) |
| Changes in Other Non Current Financial assets | 1.71 | (0.21) | (19.95) |
| Interest Income on Bank Deposits | - | - | - |
| Net Cash used in Investing Activities (B) | (218.08) | (133.33) | (221.99) |
| Cash flow from/used in Financing Activities | | | |
| Finance Cost | (182.72) | (14.65) | (312.72) |
| Proceeds/ Repayment of long term borrowings | 110.48 | 48.81 | 32.32 |
| Proceeds/(Repayment) of Short term borrowings | - | - | - |
| Net Cash used in Financing Activities (C) | (72.24) | (33.84) | (280.40) |
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 0.00 | (1.76) | (1.16) |
| Cash and Cash equivalent at the beginning of the year | (1,238.29) | (1,236.73) | (1,235.57) |
| Cash and Cash equivalents at the ending of the year | (1,238.29) | (1,238.49) | (1,236.73) |





Annexure-7

**M M REDDY & CO.,**
*Chartered Accountant*

Phone : 040-65936087
Fax : 040-20479856
Mobile : 09492 71555
91770 20555

### Independent Auditors' Report

To the Members of M/S. VINEET LABORATORIES LIMITED

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of M/S. VINEET LABORATORIES LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2019 and the Statement of Profit & Loss for the year ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. These Standards require that we comply with ethical

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E-mail: mmreddyindia@gmail.com

Bangalore: 22nd Cross, 6th Main, 7th Sector, HSR Layout, Bangalore - 560 102. Ph: 040-20481121, Cell: 09000100320
E-mail: mmreddyandassociates@gmail.com

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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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, 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 standalone financial statements

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and Profit and Loss for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) the balance sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 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





f) 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:

   i. The Company does not have any pending litigations.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MM REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

M. Madhusudhan Reddy
Partner
Membership No.211077

Place: Hyderabad
Date : 07.09.2019





VINEET LABORATORIES LIMITED
Balance Sheet as on 31.03.2019
(All amounts in Indian Rupees except for share data or otherwise stated)

| | Note No's | 2018-19 As at Mar 31, 2019 | 2017-18 As at Mar 31, 2018 |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 4,030,000 | 100,000 |
| Reserves and Surplus | 3 | - | - |
| Preference Share Warrant | | - | - |
| | A | 4,030,000 | 100,000 |
| Non - current liabilities | | | |
| Long - term borrowings | | - | - |
| Deferred tax liabilities (Net) | | - | - |
| Long term provisions | | - | - |
| | B | - | - |
| Current liabilities | | | |
| Short - term borrowings | | | - |
| Trade Payables | 4 | 74,790 | 42,492 |
| Short - term provisions | | - | - |
| Other Current Liabilities | 5 | - | 34,000 |
| | C | 74,790 | 126,492 |
| Total | (A+B+C) | 4,174,790 | 226,492 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Gross Block | | - | - |
| Less : Accumulated depreciation / amortization | | - | - |
| Net block | | - | - |
| Capital work - in - progress | | - | - |
| | A | - | - |
| Deferred tax assets (Net) | | - | - |
| Long - term loans and advances | | - | - |
| Non-current investments | | - | - |
| Other Non - Current Assets | | - | - |
| | B | - | - |
| Current assets | | | |
| Inventories | | - | - |
| Trade receivables | | - | - |
| Cash and cash equivalents | 6 | 69,080 | 41,290 |
| Other current assets | 7 | 4,105,700 | 175,000 |
| | C | 4,174,780 | 216,492 |
| Total | (A+B+C) | 4,174,780 | 226,492 |

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

M Madhusudhan Reddy
Partner
Membership No. 211077

Place : Hyderabad
Date : 07-09-2019

For and on behalf of the Board of Directors of
VINEET LABORATORIES LIMITED

Gaddam Venkata Ramana
Director
(DIN:00101875)

Satyanarayana Raju Bhupathiraju
Director
(DIN:03607881)





VINEET LABORATORIES LIMITED
Profit and Loss Account for the Period ended
(All amounts in Indian Rupees except for share data or otherwise stated)

| | Note No's | 2018-19 Year Ended Mar 31, 2019 | 2017-18 Year Ended Mar 31, 2018 |
|---|---|---|---|
| INCOME | | | |
| Turnover (Gross) | | | |
| Revenue from operations | | - | - |
| Other Income | | - | - |
| Total Revenue | | - | - |
| EXPENCITURE | | | |
| Operating Expenses | | - | - |
| Personal Cost | | - | - |
| Administrative expenses | | - | - |
| Depreciation/amortization | | - | - |
| Total | | - | - |
| Profit / (Loss) before tax | | - | - |
| Profit before tax | | - | - |
| Provision tax taxation | | | |
| - Current Year Tax | | - | - |
| - Deferred tax | | - | - |
| Total tax expense | | - | - |
| Profit/ (Loss) from continuing operations | | - | - |
| Balance brought forward from previous year | | - | - |
| Balance carried to Balance Sheet | | - | |
| Earnings per share | | | |
| Basic | | - | - |
| Weighted Number of Shares | | 403,000 | 10,000 |
| Nominal value | | 10 | 10 |
| Notes to accounts | | | |

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.,
Firm Registration Number : 010371S
Chartered Accountants

M Madhusudhan Reddy
Partner
Membership No. 211077

Place : Hyderabad
Date : 07-09-2019

For and on behalf of the Board of Directors of
VINEET LABORATORIES LIMITED

Gaddam Venkata Ramana
Director
(DIN:00101875)

Satyanarayana Raju Bhupathiraju
Director
(DIN:03607881)





SCHEDULE: 01

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis of preparation of financial statements:**

   These financial statements are prepared in accordance with Indian Generally Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

   Management evaluates all recently issued or revised accounting standards on an on-going 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-sales customer support 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 those estimates.

3. **Revenue recognition:**

   Revenue recognized on accrual basis





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 games and portals 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 if current year timing differences between taxable income and accounting income for the year and the relevant of 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 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.





II. NOTES ON ACCOUNTS:

All amounts in the financial statements are presented in Rupees and as otherwise stated.

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. **Dues to micro & small-scale industrial undertakings**
    As at March 31, 2019 as per available information with the company, there are no dues to small scale Industrial 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)

| Particulars | For the year 2018-19 |
|---|---|
| Statutory Audit | 23600 |
| Total | 23600 |

**14. Earnings per share**

(In Rs. Rupees)

| Particulars | For the Year 2018-19 |
|---|---|
| Net profit after tax | 0 |

**15.** The previous year figures have been recast / restated, wherever necessary, to the current period's classification.

**16.** Financial figures have been rounded off to nearest rupee.

**17.** Schedules 2 to 9 form part of Balance Sheet and have been authenticated.

As per our report of even date attached
For **MM REDDY& CO.,**
Chartered Accountants
Firm Registration No: 010371S

For and on behalf of the board of directors
**M/S. VINEET LABORATORIES LIMITED**

(M Madhusudhana Reddy)
Partner
Membership No.213077

Gaddam Venkata Ramana
Director

Satyanarayana Raju
Director

Place: Hyderabad
Date: 07.09.2019





Annexure-8

VINEET LABORATORIES LIMITED
Provisional Balance Sheet as on 30.09.2019(un Audited)
(All amounts in Indian Rupees except for share data or otherwise stated)

| | Note No's | 2019-20 As at Sep' 30, 2019 | 2018-19 As at Mar' 31, 2019 |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 4,180,000 | 4,180,000 |
| Reserves and Surplus | 3 | - | - |
| Partnerss Share Warrant | | - | - |
| | A | 4,180,000 | 4,180,000 |
| Non - current liabilities | | | |
| Long - term borrowings | | - | - |
| Deferred tax liabilities (Net) | | - | - |
| Long term provisions | | - | - |
| | B | - | - |
| Current liabilities | | | |
| Short - term borrowings | | - | - |
| Trade Payables | 4 | 51,590 | 74,760 |
| Short - term provisions | | - | - |
| Other Current Liabilities | 5 | - | - |
| | C | 51,590 | 74,760 |
| Total | (A+B+C) | 4,231,590 | 4,174,760 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Gross Block | | - | - |
| Less : Accumulated depreciation / amortisation | | - | |
| Net block | | - | - |
| Capital work- in- progress | | - | - |
| | A | - | - |
| Deferred tax assets (Net) | | - | - |
| Long - term loans and advances | | - | - |
| Non-current investments | | - | - |
| Other Non - Current Assets | | - | - |
| | B | - | - |
| Current assets | | | |
| Inventories | | - | - |
| Trade receivables | | - | - |
| Cash and cash equivalents | 6 | 43,084 | 69,084 |
| Other current assets | 7 | 4,187,506 | 4,105,700 |
| | C | 4,231,590 | 4,174,760 |
| Total | (A+B+C) | 4,231,590 | 4,174,760 |

The Notes referred to above and the notes to accounts form an integral part of the balance sheet

For and on behalf of the Board of Directors of
VINEET LABORATORIES LIMITED

Gaddam Venkata Ramana
Director
(DIN:00031875)





VINEET LABORATORIES LIMITED
Profit and Loss Account for the Period ended
(All amounts in Indian Rupees except for share data or otherwise stated)

| | Note No's | 2019-20 Year Ended Sep' 30, 2019 | 2018-19 Year Ended Mar' 31, 2019 |
|---|---|---|---|
| INCOME | | | |
| Turnover (Gross) | | | |
| Revenue from operations | | - | - |
| Other Income | | - | - |
| Total Revenue | | - | - |
| EXPENDITURE | | | |
| Operating Expenses | | - | - |
| Personal Cost | | - | - |
| Administration expenses | | - | - |
| Depreciation/amortisation | | - | - |
| Total | | - | - |
| Profit / (Loss) before tax | | - | - |
| Profit before tax | | | |
| Provision for taxation | | | |
| - Current Year Tax | | - | - |
| - Deferred tax | | - | - |
| Total tax expense | | - | - |
| Profit / (Loss) from continuing operations | | - | - |
| Balance brought forward from previous year | | - | - |
| Balance carried to Balance Sheet | | - | - |
| Earnings per share | | | |
| Basic | | | |
| Weighted Number of Shares | | 418,000 | 418,000 |
| Nominal value | | 10 | 10 |
| Notes to accounts | | | |

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

For and on behalf of the Board of Directors of
VINEET LABORATORIES LIMITED

Gaddam Venkata Ramana
Director
(DIN:00031875)





VINEET LABORATORIES LIMITED
Notes to Accounts
(All amounts in Indian Rupees except for share data or otherwise stated)

| | 2019-20 As at Sep' 30, 2019 | 2018-19 As at Mar' 31, 2019 |
|---|---|---|
| **Note 2 : Share Capital** | | |
| Authorised | | |
| 410000 Equity Shares of Rs.10/- each | 4,100,000 | 4,100,000 |
| Issued, Subscribed and Paid up | | |
| 410000 Equity Shares of Rs.10/- each | 4,180,000 | 4,180,000 |
| | 4,180,000 | 4,180,000 |
| Reconciliation of shares outstanding at the beginning and at the end of the reporting period | | |
| Equity Shares outstanding at the beginning of the year | - | 10,000 |
| Add: Additional shares issued during the year | - | 400,000 |
| Less: Shares reduction during the year | - | - |
| Equity Shares outstanding at the closing of the year | - | 410,000 |
| Terms/rights attached to equity shares | | |
| The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. | | |
| In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held. | | |
| Names of shareholders holding more than 10 % shares | No of Shares | No of Shares |
| Equity Shares | | |
| Shareholder holds more than 10% Shares at the company | | |
| Gaddam Venkata Ramana | 51,600 | 51,600 |
| Gaddam Venkata Rama | 51,600 | 51,600 |
| Alluri Mangu Raju | 34,650 | 34,650 |
| Alluri Prabhakara Raju | 36,600 | 36,600 |
| Alluri Mythili | 36,600 | 36,600 |
| Vishwa vara Prasada Raju | 51,600 | 51,600 |
| A. Srinivasa Raju | 34,650 | 34,650 |
| B. Satya Narayana Raju | 30,000 | 30,000 |
| P Kishore Raju | 16,750 | 16,750 |
| Murali Mohan Karukola | 50,000 | 50,000 |
| P Venkata Krishnam Raju | 16,750 | 16,750 |
| **Note 3 : Reserves and Surplus** | | |
| General Reserve | | |
| Balance as per last account | - | - |
| Capital Reserve | | |
| Forfeiture of shares on Capital Reduction | | |
| Profit & Loss A/c Surplus | | |
| Balance in the statement of profit & loss | - | - |
| Less: Loss Adjusted on Account of Capital reduction | - | - |
| Additions during the year | - | - |
| | - | - |





VINEET LABORATORIES LIMITED
Notes to Accounts
(All amounts in Indian Rupees except for share data or otherwise stated)

| | 2019-20 As at Sep' 30, 2019 | 2018-19 As at Mar' 31, 2019 |
|---|---|---|
| **Note 4: Trade Payables** | | |
| M M Reddy & Co | 23,600 | 23,600 |
| M Reddy-CS | 27,990 | 4,700 |
| Venture Capital and Corporate Investment Pvt Ltd | - | 42,460 |
| | 51,590 | 74,760 |
| **Note 5 Other Current Liabilities** | | |
| Ortin Laboratories Ltd-Unit-II | - | - |
| | - | - |
| **Note 6 : Cash and cash equivalents** | | |
| Cash in hand | 36,390 | 36,390 |
| Balances with scheduled banks | | |
| On current accounts | 7,474 | 32,690 |
| On deposit accounts | | |
| | 43,864 | 69,084 |
| **Note 7 : Other current assets** | | |
| Central Depository services Ltd | 9,000 | 8,000 |
| National Security Depository Services Ltd | 9,000 | 9,000 |
| Ortin Laboratories Ltd-Unit-II | 3,715,506 | 3,726,000 |
| Misc Expenses asset | | |
| Preliminary Expense | | |
| Cittrchal Inco.CDSL/NSDL-MISC.EXP | 36,000 | 36,000 |
| Incorporation Expenses -Misc Asset | 27,120 | 27,120 |
| Office Maintenance_Misc .Expend/Asset | 8,000 | 8,000 |
| Printing & Stationery (Misc Asset) | 5,440 | 5,440 |
| Professional Charges - Misc Asset | 40,140 | 39,730 |
| Audit Fees | 43,600 | 43,600 |
| Bank Charges | 526 | 730 |
| ROC Filing | 192,100 | 180,700 |
| | 4,187,506 | 4,105,700 |





Annexure-9

MATHESH & RAMANA
CHARTERED ACCOUNTANTS

Annexure - [illegible]

To,
The Board of Directors,
M/s. Ortin Laboratories Limited,
D. No: 1-2-55/28, Ground Floor,
Street No:-6, Gagan Mahal Colony,
Near Bab Sai Temple, Dilsukhnagar,
Hyderabad, Telangana – 500 029

We, the statutory auditors of M/s. Ortin Laboratories Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 8 of the Draft Scheme of Demerger of M/s. Ortin Laboratories Limited in terms of the provisions of sections 230 to 232 read with section 66 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanation given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Para 1(A)(5) of Annexure I of SEBI Circular No. CFD/DIL/CIR/2017/21dated March 10, 2017 and all applicable Accounting Standards as notified under section 133 of Companies Act read with paragraph 3 of Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles as applicable.

This Certificate is issued at the request of the M/s. Ortin Laboratories Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited and The National Stock Exchange. This Certificate should not be used for any other purpose without our prior written consent.

For MATHESH & RAMANA
CHARTERED ACCOUNTANTS

Place: HYDERABAD
Date : 31/08/2017

R.V. RAMANA REDDY
M. No. 026267
Partner

E-mail : mathesh@yahoo.co.in
# 1-6-148, Himayatnagar, Hyderabad - 500 029. Ph: 2322 1822 / 2323 6993 / 2322 1863





M M REDDY & CO.,
Chartered Accountant

Phone : 040-65536097
Fax : 040-23478836
Mobile : 98492 71555
91770 20668

To,
The Board of Directors,
Vineet Laboratories Limited,
SY.No.11/A3, Sailesh Nagar,
Kalyanamma Nilayam, Chintal Kunta,
LB Nagar, Hyderabad, Telangana, India.

**Auditor's Certificate on accounting treatment in the Draft Scheme of Arrangement**

1. The Management of M/s Vineet Laboratories Limited (hereinafter referred to as **'the Resulting Company'** planning to file the Draft Scheme of Arrangement in the matter of De-merger and Transfer of De-merged Undertaking between Ortin Laboratories Limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) and their respective Shareholders and Creditors (hereinafter referred to as **'the Draft Scheme'**) for the Demerger & Transfer of the Demerged Undertaking of Demerged Company to the Resulting Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 **('the Act')** and other applicable provisions of the Act. The Draft Scheme has been approved by the Board of Directors of Company at its meeting held on 15.05.2019 and is subject to the approval of the Honorable National Company Law Tribunal, Hyderabad.
2. We have been requested by the Management of the Company to examine and certify that the proposed accounting treatment specified in Paragraphs 7 and 8 of Part II of the aforesaid Draft Scheme, duly stamped and initialed by us for identification purpose, is in compliance with the applicable Indian Accounting Standards read with the rules made there under and other Generally Accepted Accounting Principles.

**Management responsibility**

3. The Management is responsible for the preparation of the above said Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards read with the rules made there under and other Generally Accepted Accounting Principles as aforesaid.
4. The Management is also responsible for the maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the Draft Scheme and ensuring compliance with the applicable regulations.
5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' **('the Guidance Note')** issued by the Institute of Chartered Accountants of India **('the ICAI')**.

M M Reddy & Co., 4th Floor, HDFC Bank, Beside Green Signal, Road No 2, Banjara Hills, Hyderabad 500034, TS
E-mail: mmreddycandco@gmail.com
Hyderabad, 22nd Floor, SB Main, 7th Sector, HSR Layout, Bangalore - 560 102, Ph: 040-29846723, Cell: 9059106233
E-mail: mmreddycandco@gmail.com





The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. Further, our examination did not extend to any other parts and aspects of a legal and proprietary nature in the Scheme.

6. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the Statutory Auditors of any financial statements of the Amalgamating Company.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on the examination and according to the information and explanations given to us, we are of the opinion that, the accounting treatment proposed to be followed by the Company as stated at Paragraphs 7 & 8 of the Scheme, is in conformity with the applicable Indian Accounting Standards notified under section 133 of the Companies Act, 2013, read with rules made thereunder and other generally acceptable accounting principles in India, as applicable.

**Restrictions on use**

9. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of onward submission of the Draft Scheme to Honorable National Company Law Tribunal, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M M Reddy & Co.,
Chartered Accountants
Registration No: 010371S

M Madhusudhana Reddy
Partner
Membership No: 213077

Place: Hyderabad
Date: 13.09.2019





Annexure-10

**VALUATION REPORT**

**FOR**

# ORTIN LABORATORIES LIMITED (OLL)

**April 2019**

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## I. Introduction

### History

Ortin Laboratories Limited (OLL) was originally incorporated in India under the Companies Act, 1956 with Registration No.L24110AP1986PLC006485 as M/s. Ortin Laboratories Limited on October 27, 1986 with Registrar of Companies, Telangana at Hyderabad. The Registered Office of Company is situated at D. No. 1-2-303/29, Ground Floor, Street No.4, Gagandeep Colony, Near Balaji Temple, Domalguda, Hyderabad, Telangana, 500029.

Ortin Laboratories Limited (OLL), a Trusted Reliance for Quality and offer Quality Drugs and Medicines to the suffering mankind.Company Formulations unit is located in a spacious area of 25000 sq feet with all ultra-modern infrastructure as per the WHO GMP Standards to manufacture the complete range of Pharmaceutical Formulation of TABLETS, CAPSULES, SYRUPS, and DRY POWDERS.

In the year 2010, M/s Vineet Laboratories Private Limited has been merged with Ortin. Vineet Laboratories is an established Drug Intermediates manufacturing unit, majorly involved in the preparations of intermediates for ANTI-RETRO VIRALS and LIPID LOWERING AGENTS which is located in Choutuppal, Nalgonda District. The manufacturing unit is a complex of Production Blocks, Quality Control, R & D and Quality Assurance. The production blocks are well equipped with multipurpose SS and GLASS-LINED REACTORS.

Company Drug API Intermediates manufacturing unit has been certified as an ISO 9001 : 2008 companies by Det Norske VERITAS, The Netherlands for its quality systems management which shows the quality consciou to deliver best quality products.

Company Formulations unit has been certified as a WHO - GMP certified company and an ISO 9001: 2008 Company by the Internationally Recognized Quality Management Certification Body, the BSIQE & Accredited by AIAG-IAR, USA in pursuance of its focus towards Quality with its Policy to enhance customer satisfaction by providing Quality Pharmaceutical Formulations at optimum cost and maintain profitability through continual improvement of Quality Management System and cGMP.

Company marketing in formulations all over India and its products has been well accepted by the medical profession. Company honored as a registered Supplier of Drugs & Medicines with the most reputed Central, State & Quasi-Government Organizations &Institutions of our Country.

The Company is listed in Bombay Stock Exchange and National Stock Exchange of India.



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Upon merger of M/s. Vineet Laboratories Pvt Ltd into the Company operating both divisions (i.e., formulations/tablets in Unit I, and APIIntermediaries are in Unit II) under one Company. Now the both units are functioning well and running successfully.

Considering the business opportunities and market expectations privileged in the Pharma industry, the company now intends to demerge the both units and run under two separate entities. It will give both quality compliance and acquire the market regulatory compliances for its products. Accordingly we are now valuing the both units to demerge into separate entities.

### Our Values

OLL adheres to various procedural checks and controls to ensure that the Product is of the required Quality. This is by company Quality Assurance Department which is well equipped with the latest Analytical Instruments. OLL have laid down various in-house and Pharmacopoeia Specifications for each step from the sorting of Raw Materials to Finished Products. It has standardized and validated all our systems like water supply, procurement of specific ingredients, quality testing, manufacturing procedures, cleaning procedures etc.

All the crude drugs are tested for Microscopic & Macroscopic specifications. Phytochemical Screenings for the presence of Activity Secondary Metabolites viz., Alkaloids, Tannins, Flavonoids etc., and alcohol, water soluble extract, Ash values and Volatile substances. Extracts are tested for description, pH, water soluble extract etc. All the finished products viz., Tablets, Capsules, Syrups, Powders and Ointments are tested for average weights, disintegration time, diameter, thickness, moisture, volume, color sedimentation, taste, pH, clarity etc. OLL has separate Microbiological Laboratory for testing the Microbial contamination in all the Products.

To ensure quality, our Quality Control Department is well equipped with most sophisticated, ultra-modern chemical, micro-biological and state-of-the-art Instrumentation lab and we have modern Instruments like Gas Chromatography, HPLC, FTIR, UV Spectrophotometer, Photo Fluorometer, Dissolution Apparatus, Karl Fischer Titrator, Humidity Control Oven, Gallery Counter, D.T. Apparatus, Friability Apparatus, I.R., Moisture Balance, Incubator, Leakage Test Apparatus, Polarimeter, pH Meter, Refractometer, Zone Reader, Autoclave, Centrifuge Machine etc.

OLL has met GLP(Good Laboratory Practices ) standards with the stringentstrict quality control systems as per the rules and regulations of the pharmacopeical systems.



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### Valuation details/ Source of information

The date of demerger of UNIT-II (API Intermediates & Bulk Drug Manufacturing Unit) of OLL (Demerger Company) is considered as December 31, 2018. In order to determine the exchange ratio prior to demerger was agreed to value UNIT-II and OLL as on December 31, 2018. The key presentation provided by the management for the purpose of valuation analysis is that the audited financial statements for the year ended March 31, 2018 and unaudited financial statements for the year ended December 31, 2018 are accurate and there will not be any material difference between these estimated statements and actual figures. In addition to these, we have provided the following other information for our valuation analysis.

a) Audited financial statements of OLL for the years ended March 31, 2018.
b) Unaudited financial statement of OLL for the year ending December 31, 2018.
c) Projections of both Units of the Company including profit & loss account, balance sheet and cash flow analysis for the financial years ending March 31, 2019 to 2023.
d) Information on business and profile provided by the management of OLL.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executive and representatives of OLL. It may be mentioned that OLL has been provided opportunity to review the draft report (including our valuation analysis and recommendations) for the current job as part of our standard practice to make sure that factual inaccuracies are avoided in our report.



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The shareholding pattern of OLL as at 31st December, 2018 is as under:

| Category of shareholder | No. of fully paid up equity shares held | Shareholding as a % of total no. of shares |
|---|---|---|
| Promoter & Promoter Group | 59,01,366 | 34.84% |
| Public | 1,10,39,034 | 65.16% |
| Shares underlying DRs | - | - |
| Shares held by Employee Trust | - | - |
| Non Promoter-Non Public | - | - |
| **Total** | **169,40,400** | **100.00%** |



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## II. Business Overview

### Financial Information

The key financial items of OLL for the year ended 31st December 2018 and 31st March 2018 are shown below:

Key Financial Information: Profit and Loss Account (consolidated): (Rs. In lakhs)

| Particulars | As at 31.12.2018 | % of Income | As at 31.03.2018 | % of Income |
|---|---|---|---|---|
| Gross Sales Revenue | 12089.99 | 100.00% | 8907.52 | 100.00% |
| Cost of Sales | 9616.76 | 79.83% | 6299.15 | 71.03% |
| Employee benefit expense | 388.14 | 2.38% | 331.18 | 4.16% |
| Marketing & Admin. Exp. | 1751.63 | 14.51% | 1430.84 | 17.65% |
| EBIDTA | 397.84 | 3.28% | 585.25 | 7.21% |
| Depreciation & Amortization | 131.03 | 1.08% | 168.55 | 2.08% |
| Finance Charges | 231.72 | 1.92% | 348.66 | 4.30% |
| PBT | 34.28 | 0.28% | 68.04 | 0.84% |
| Tax Expenses | 80.49 | 0.67% | 0.12 | 0.00% |
| PAT | -46.20 | -0.38% | 67.92 | 0.84% |

Source: Audited financial statements of OLL

Key Financial Information: Balance Sheet (consolidated): (Rs. In lakhs)

| Particulars | As at 31.12.2018 | % of Assets | As at 31.03.2018 | % of Assets |
|---|---|---|---|---|
| Source of Funds | | | | |
| Share Capital | 1694.04 | 53.10% | 1694.04 | 52.87% |
| Reserves & Surplus | 667.56 | 20.93% | 713.77 | 22.28% |
| Loan Funds | 190.89 | 5.98% | 148.26 | 4.63% |
| Deferred tax | 299.04 | 9.37% | 252.92 | 7.89% |
| Other Non Current Liabilities | 338.61 | 10.61% | 395.11 | 12.33% |
| **Total** | **3190.14** | **100.00%** | **3204.10** | **100.00%** |
| Application of Funds | | | | |
| Fixed Assets (net block) | 2001.38 | 63.24% | 2003.40 | 62.53% |
| Capital WIP | 16.77 | 0.53% | 40.31 | 1.26% |
| Investments | 7.92 | 0.25% | 7.84 | 0.24% |
| Other Financial assets | 104.81 | 3.29% | 99.18 | 3.10% |
| Other Non Current assets | 21.11 | 0.66% | 11.91 | 0.37% |
| Net Current Assets | 958.15 | 30.03% | 1041.46 | 32.50% |
| **Total** | **3190.14** | **100.00%** | **3204.10** | **100.00%** |

Source: Audited financial statements of OLL



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### Financial Analysis

We have carried out a financial analysis of the audited financial statements for the year ended 31st December 2018 and the audited financial statements for the year ended 31st March 2018. OLL's performance mainly depends on sale of formulations and API Intermediates.

Total revenue for the fiscal year Dec 2018 was Rs.12089.99 lakhs as compared to fiscal year March 2018, Total revenue for the fiscal year March 2018 is Rs.8907.52 lakhs.

Cost of Sales is Rs.9656.76 lakhs (79.83% of sales) in the year Dec 2018 as compared to Rs.5799.15 lakhs in fiscal year March 2018 (71.03% of sales) and includes cost of raw materials, cost of services, production staff costs, consumables, wages and other direct expenses.

General Administrative Expenses were Rs.1751.63 lakhs (14.51% of sales) in year Dec 2018 as compared to Rs. 1430.84 lakhs (17.65% of sales) in Year March 2018. They include employee costs, traveling and communication expenses, employee welfare expenses, professional charges and other office maintenance expenses.

Employee Benefit Expenses were Rs. 288.14 lakhs (2.38% of sales) for year Dec 2018 as compared to Rs. 332.28 lakhs (4.16% of sales) in year March 2018.

Operating profit (EBIDTA) of Rs. 397.84 lakhs (3.28% of sales) in the year Dec 2018 as compared to Rs. 585.25 lakhs (7.25% of sales) in Year March 2018.

Depreciation & amortization in year Dec 2018 was Rs.131.03 lakhs (1.08% of sales) as compared to Rs. 168.55 lakhs (2.08% of sales) in year March 2018.

Finance charges in year Dec 2018 were Rs. 231.75 lakhs (1.92 % of sales) as compared to Rs. 348.66 lakhs (4.30% of sales) in year March 2018.

Tax expenses include current income tax, fringe benefit tax and deferred tax. For the year Dec 2018, Provision for tax was Rs.80.49 lakhs (0.67% of sales) as compared to Rs. 0.12 lakhs in year March 2018.

Profit after Tax in year Dec 2018 is Rs. -46.20 as compared to Rs.67.92 lakhs (0.84% of total income) in year March 2018.



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### Financial Projections

The financial projections for the year ended 31st March 2019 to 31st March 2023for the both divisions are shown below:

Projections of UNIT-I (Formulations Unit):

(Rs. In Lakhs)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| **Income** | 808.12 | 929.33 | 1,068.75 | 1,229.64 | 1,413.48 |
| Expenditure | | | | | |
| 1. Operating Cost | 408.16 | 469.31 | 539.71 | 620.67 | 713.77 |
| 2. Direct expenses | 36.37 | 41.82 | 48.09 | 55.31 | 63.60 |
| 3. Personnel expenses | 68.69 | 78.99 | 90.84 | 104.47 | 120.14 |
| 4. Sales & Marketing Exp | 2.42 | 2.79 | 3.21 | 3.69 | 4.24 |
| 5. Admn. Expenses | 40.41 | 46.47 | 53.44 | 61.45 | 70.67 |
| 6. Other Expenses | 121.22 | 139.40 | 160.31 | 184.36 | 212.01 |
| Total Expenditure | 677.28 | 778.78 | 895.60 | 1,029.94 | 1,184.43 |
| **Profit before Dep. Interest & Tax** | 130.91 | 150.55 | 173.15 | 199.10 | 228.97 |
| Depreciation | 21.54 | 21.54 | 21.54 | 21.54 | 21.54 |
| Profit before Interest & Tax | 109.38 | 129.02 | 151.60 | 177.57 | 207.43 |
| Finance Cost | 16.43 | 15.80 | 15.15 | 14.50 | 13.83 |
| Profit before Taxation | 22.92 | 43.21 | 66.44 | 93.07 | 123.58 |
| Provision for taxation | 6.88 | 12.96 | 19.93 | 27.92 | 37.07 |
| Profit after Tax | 16.05 | 30.25 | 46.51 | 65.15 | 86.51 |

Source: provisional financial statements of UNIT-I

Projections of UNIT-II (API Intermediaries & Bulk Drug Manufacturing Unit):

(Rs. In Lakhs)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| **Income** | 11,950.23 | 12,554.04 | 13,181.74 | 13,840.83 | 14,532.87 |
| Expenditure | | | | | |
| 1. Operating Cost | 9,624.77 | 10,106.00 | 10,611.30 | 11,141.87 | 11,698.96 |
| 2. Direct Expenses | 597.81 | 627.70 | 659.09 | 692.04 | 726.64 |
| 3. Personnel Exp | 239.12 | 251.08 | 263.63 | 276.82 | 290.66 |
| 4. Sales & Marketing Exp | 119.56 | 125.54 | 131.82 | 138.41 | 145.33 |
| 5. Admn. Expenses | | | | | |



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| | | | | | |
|---|---|---|---|---|---|
| | 956.50 | 1,004.32 | 1,054.54 | 1,107.27 | 1,162.63 |
| 6. Other Expenses | 119.56 | 125.54 | 131.82 | 138.41 | 145.33 |
| Total Expenditure | 11,657.32 | 12,240.19 | 12,852.20 | 13,494.81 | 14,169.55 |
| **Profit before Dep. Interest & Tax** | **293.03** | **313.85** | **329.54** | **346.02** | **363.32** |
| Depreciation (SLM) | 109.50 | 109.50 | 109.50 | 109.50 | 109.50 |
| Profit before Interest & Tax | 183.41 | 204.35 | 220.05 | 236.52 | 253.82 |
| Finance Cost | 137.87 | 137.87 | 137.87 | 137.87 | 137.87 |
| Profit before Taxation | **51.54** | **66.48** | **82.18** | **98.65** | **115.95** |
| Provision for taxation | 33.40 | 38.78 | 44.43 | 50.36 | 56.59 |
| Profit after Tax | **18.14** | **27.71** | **37.75** | **48.30** | **59.37** |

Source: provisional financial statements of UNIT-II

## III. Valuation Analysis

### Valuation Methodology

Valuation of the enterprise or its equity shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. This exercise may be carried out using generally accepted methodologies, the relative emphasis of each differ varying with the factors such as:

- Specific nature of the business,
- Listing and liquidity of the equity,
- Economic life cycle in which the industry or the company is operating and
- Extent to which and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. In this regard, we have evaluated suitability of four commonly used approaches of valuation to determine the fair value of two companies. After arriving at the values based on appropriate methods, we have assigned weightings to these methods to determine the fair value for the two divisions.



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1) **Net Assets Method (NAV):**

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholder's Funds or Net Assets owned by the business. The Net Assets Value is generally used as the minimum break up value for the transaction. This methodology calculates the underlying net Assets of the business, either on a book value basis or realizable value basis or replacement cost basis. We have used the book value basis to estimate the value of two Units.

2) **Discounted Cash Flow Method (DCF):**

The DCF method uses the future free cash flows of the division discounted by the weighted average cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business, considering that this method is based on future potential and is widely accepted, we have included this approach in the valuation exercise.

Using the DCF analysis involves determining the following:

***Estimating future free cash flows:***

Free cash flows are the expected to be generated by the company that is available to all provider of the company's Capital both debt and equity.

***Appropriate discount rate to be applied to cash flows i.e., the cost of capital***

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely share holders and Lenders ), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of Return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained from DCF analysis, the amount of loans has to be adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share of the company.

**Valuation Analysis: UNIT-I**

We have carried out the valuation analysis as described above, based on the fundamental assumption of going concern for the business under consideration. The detailed analysis and the assumptions made these purpose are given below:







**Method 1: Net Asset Value Method (NAV)**

In order to assess the NAV of UNIT- I, we have used the Audited financial statements of two units for the Year ended 31st Dec 2018. The value arrived under this approach using the shareholders funds of Net Assets owned by the business as at 31st Dec 2018 is Rs.29.10 lakhs.

| PARTICULARS | Rs. In Lakhs | Rs. In Lakhs |
|---|---|---|
| Fixed Assets (Tangible and Intangible) | 1,525.38 | |
| Capital work in progress | - | |
| Total fixed assets (Net) | | 1,525.38 |
| Investments | | 0.08 |
| Non Current assets | | 2.09 |
| Other Financial assets | | 0.10 |
| Current Assets | | |
| Net Current assets | | (122.94) |
| Total Assets | | 1,402.69 |
| Borrowings | | |
| Secured Loans | 80.57 | |
| Un Secured Loans | 34.67 | |
| Deferred tax liability | 149.52 | |
| Total borrowings | | 264.76 |
| Net worth - unadjusted | | 1,138.85 |
| Less Contingent liabilities | | - |
| Less Misc. expenses | | 1,108.95 |
| NET ASSET VALUE | | 28.10 |

Source: Audited financial statements of UNIT-I

**Method 2: Discounted Cash Flow Method (DCF)**

**Estimated Free Cash Flows:**

For the purpose of valuation exercise, we have considered a seven years projected period i.e. from the financial year 2019 to 2025.

The cash flow projection on a free cash flow to equity (FCFE) basis is summarized below:







| Particulars | Projected as on 31st March | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Free Cash Flow | 122.96 | 127.97 | 148.24 | 147.37 | 160.38 |
| Year | 1 | 2 | 3 | 4 | 5 |
| Disc Factor | 0.8929 | 0.7972 | 0.7118 | 0.6355 | 0.5674 |
| Present Value of Cash Flows | 109.73 | 102.02 | 105.97 | 93.61 | 90.94 |

Source: Provisional financial statements of UNIT-I

Valuation assumptions

**Discounting factor**

The discounting factor considered for arriving the present value of the free cash flows to the equity is cost of equity, since the free cash flows to equity shareholders are estimated. The cost of equity computed using the Capital Assets Pricing Model (CAPM) using the formula:

Ke = rf + [Rm – rf] where
Ke = Cost of Equity
RF = Risk Free Return
Rm = Market Price of Return and
B(beta) = Measure of Market Risk

Risk free rate of return has been estimated on 10 year Indian Government bond yield, market return is based on the return from Indian stock market index over a long term historical period and beta coefficient is based on companies stock being traded in Bombay Stock Exchange against the Sensex for the last year. Based on the above we have worked out the discount factor for UNIT-I as 0.56. The calculations of discounting factor are given below:

| | |
|---|---|
| Risk free rate of return | 8.30% |
| Beta | 1.00 |
| Market rate of return | 12.00% |
| Cost of Debt | 13.50% |
| Discounting Factor (Terminal Value) | 0.56 |

**Terminal Value**

The terminal value refers to the present value of the business on a going concern basis beyond the period of projections up to perpetuity. This value is estimated taking into business growth rates as well estimated growth rates of the industry and economy. Based on the factors specific to the company as mentioned above, the free cash flow to the equity shareholders after considering all terminal value is Rs.1089.38 lakhs.









**Valuation Analysis: UNIT-II**

We have carried out the valuation analysis as described above, based on the fundamental assumption of going concern for the business under consideration. The detailed analysis and the assumptions made these purpose are given below:

**Method 1: Net Asset Value Method (NAV)**

In order to assess the NAV of UNIT-II, we have used the Audited financial statements for the quarter ended 31st Dec 2018. The estimated value arrived under this approach using the shareholders funds of Net Assets owned by the business as at 31st Dec 2018 is Rs.2407.42 lakhs.

| PARTICULARS | Rs. In Lakhs | Rs. In Lakhs |
|---|---|---|
| Total fixed assets | 1,667.06 | |
| Capital work in progress | 16.77 | |
| Total fixed assets (Net) | | 1,683.83 |
| Investments | | 7.84 |
| Non Current assets | | 19.00 |
| Other Financial assets | | 73.43 |
| Current Assets | | |
| Net Current assets | | 1,384.00 |
| Total Assets | | 2,984.11 |
| Borrowings | | |
| Secured Loans | 110.85 | |
| Un Secured Loans | 278.65 | |
| Deferred tax liability | 149.52 | |
| Total borrowings | | 538.69 |
| Net worth - unadjusted | | 2,407.42 |
| Less Contingent liabilities | | - |
| Less Misc. expenses | | - |
| NET ASSET VALUE per share (INR) | | 27.84 |

Source: Audited financial statements of UNIT-II

**Method 2: Discounted Cash Flow Method (DCF)**

**Estimated Free Cash Flows:**

For the purpose of valuation exercise, we have considered a Seven years projected period i.e. from the financial year 2019 to 2025.

The cash flow projection on a free cash flow to equity (FCFE) basis is summarized below:







| Particulars | Projected as on 31st March | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Free Cash Flow | 29.81 | 150.63 | 189.91 | 161.90 | 111.50 |
| Year | 1 | 2 | 3 | 4 | 5 |
| Disc Factor | 0.8929 | 0.7972 | 0.7118 | 0.6355 | 0.5674 |
| Present Value of Cash Flows | 26.62 | 120.10 | 135.10 | 102.86 | 63.24 |

Source: Provisional financial statements of UNIT-II

**Valuation assumptions**

**Discounting factor**

The discounting factor considered for arriving the present value of the free cash flows to the equity is cost of equity, since the free cash flows to equity shareholders are estimated. The cost of equity computed using the Capital Assets Pricing Model (CAPM) using the formula:

Ke = rf + [Rm – rf] where
Ke = Cost of Equity
RF = Risk Free Return
Rm = Market Price of Return and
B(beta) = Measure of Market Risk

Risk free rate of return has been estimated on 10 year Indian Government bond yield, market return is based on the return from Indian stock market index over a long term historical period and beta coefficient is based on companies stock being traded in Bombay Stock Exchange against the Sensex for the last year. Based on the above we have worked out the discount factor for UNIT-II as 0.56. The calculations of discounting factor are given below:

| | |
|---|---|
| Risk free rate of return | 8.30% |
| Beta | 1.00 |
| Market rate of return | 12.00% |
| Cost of Debt | 13.50% |
| Discounting Factor (terminal Value) | 0.56 |

**Terminal Value**

The terminal value refers to the present value of the business on a going concern basis beyond the period of projections up to perpetuity. This value is estimated taking into business growth









rates as well estimated growth rates of the industry and economy. Based on the factors specific to the company as mentioned above, the free cash flow to the equity shareholders after considering all terminal value is Rs 728.19 lakhs.

**Exchange Ratio**

We have assigned weights to NAV & DCF methods to arrive at the average values of equity shares of the Unit-I and UNIT-II. We have given the Net Asset Value method a weight of 25% as both the Units and 75% weights given for Discounted Cash Flow method as while it takes into consideration future business potential, it is based on forecast.

| Particulars | UNIT-I | | | UNIT-II | | |
|---|---|---|---|---|---|---|
| | Weight | Value of the Business | Value of the Business | Weight | Value of the Business | Value of the Business |
| Net Assets Value method | 0.25 | 20.10 | 7.27 | 0.25 | 2,407.42 | 606.80 |
| Discounted Cash Flow method | 0.75 | 1,424.07 | 1,068.02 | 0.75 | 902.14 | 681.35 |
| Value of the Business | 1.00 | | 1,075.30 | 1.00 | | 1,287.21 |
| No. of equity shares outstanding | | | 81.31 | | | 88.00 |
| Value per share | | | 13.22 | | | 14.61 |

Based on our valuation of both Units and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, upon scheme become effective the share holder of 100 equity shares of the nominal value of Rs. 10/- each in OLL will get 48 equity shares of nominal value of Rs.10/- each in OLL (Demerger Company) and 52 equity shares of the nominal value of Rs.10/- each in (Resulting Company) (API Intermediates & Bulk Drug Manufacturing Unit(I)).

**IV. Conclusion**

Effective date of Valuation:

The effective date of valuation is **December 31, 2018.**

Standard (Definition) of Value:

The Standard of Value is "Fair Market Value". As defined by Statement on Standards for Valuation Services issued by the ICAAP, "the Fair Market Value is-









- The price, expressed in terms of cash equivalents,
- At which property would change hands
- Between a hypothetical willing and able buyer and a hypothetical willing and able seller
- Acting at arms length in an open and unrestricted market,
- When neither is under compulsion to buy or sell and

where both have reasonable knowledge of the relevant facts

Premise of Value:

The Premise of Value is "as a going concern".

Our opinion of Fair Market Value relies on a "value in use" or "going concern" premise, which assumes that the Company is an ongoing business enterprise with management operating in a rational way with a goal of maximizing shareholder value.

The valuation assumes that the Company will continue to operate as a going concern, and that the character of its present business will remain intact.

The Income approach evaluates the value of the Company on the basis of its business stream and its ability to serve the demand.

**V. Scope of Limitations**

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report or agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Valuation analysis and results are also specific to the date of this report. A review of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our review results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to the companies or the market/economy in general and occurring subsequent to the date of this report.

In the course of the review, we were provided with both written and verbal information, including market, technical, financial and operating data. We have however, evaluated the information provided to us by the companies through broad margin analysis and review (but not have carried out a due diligence or audit of the companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided).









In the above evaluation, nothing has come to our attention to indicate that the information provided was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. The terms of our engagement were such that we were entitled to rely upon the information provided by the companies without detailed inquiry. Also, we have been given to understand by the management that they have not omitted any relevant and material factors. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the companies.

No investigation of the companies claim to title of assets has been made for the purpose of this review and the companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liens disclosed in the accounts. Therefore, no responsibility is assumed for matter of a legal nature.

We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the companies in that regard.

We owe responsibility to only Board of Directors of OLL, which has retained us and nobody else.

We do not accept any liability to any third party in relation to the issue of this report.

Place: Hyderabad
Date: 13th April 2019.

CA. M Madhusudhana Reddy
Registered Valuer
Reg. No. IBBI/RV/05/2019/10954







M. MADHUSUDHANA REDDY, B.Com, FCA, Cert. IFRS, IP
Insolvency Professional & Registered Valuer
[Reg. Under Insolvency & Bankruptcy Code 2016 with IBBI] (Securities or Financial Assets)
Reg. No. IBBI/IPA-001/IP-P00043/2017-18/11427 Reg. No. IBBI/RV/05/2019/10954

To
The Manager
Listing Department,
National Stock Exchange of India Ltd/BSE Limited,
Mumbai.

**Sub:** Valuation Report of M/s. Ortin Laboratories Limited (OLL)

This has reference to the draft scheme arrangement (De-merger) filed with stock exchanges in the case of M/s. Ortin Laboratories Limited (OLL), we hereunder provide the valuation report workings, relative fair market value per share and fair exchange ratio in the following:

**Computation of Fair Share Exchange Ratio:**

| Valuation approach | Formulation divisions (Unit – I) | | Formulation divisions (Unit – II) | |
|---|---|---|---|---|
| | Value per share | Weight | Value per share | Weight |
| Net Assets Value method | 0.09 | 25% | 6.89 | 25% |
| Discounted Cash Flow method | 13.13 | 75% | 7.72 | 75% |
| Market Approach | - | - | - | - |
| Relative Value per share | 13.22 | 100% | 14.61 | 100% |
| Exchange Ratio | 48:52 | | | |

a. Market approach is not applicable and is scheme for De-merger. The trading price of the company can't be influenced between the Unit – I & Unit II.
b. Detailed Valuation Report under Point III has specified Valuation Methodologies and Analysis.

Yours Faithfully,

CA. M Madhusudhana Reddy
Registered Valuer
Reg. No. IBBI/RV/05/2019/10954

Place: Hyderabad
Date: 13.04.2019

G-8, Ananda Villa, Opp. Tadoba Hospital, Rajbhavan Road, Somajiguda, Hyderabad – 500082
Phone: 040 23410836, Mobile: +91 9848271555, E-mail: mmreddyfca@gmail.com

Annexure-11

QUINTESSENCE ENTERPRISES PVT. LTD.
SEBI Registered Category-I Merchant Banker

26.04.2019

**The Board of Directors,**
Ortin Laboratories Limited (OLL)
H. No. 3-4-612/64 (old 697),
Opp. Bethlehem Park,
Barkatpura Hyderabad- 500027, Telangana

**The Board of Directors**
Vineet Laboratories Limited
Sy.No.11/A3, Sahab Nagar, Kurdu/VII,
Chintalkunta, Ishwaramma Nilayam,
L.B Nagar, Hyderabad Telangana – 500074

**Re:** Fairness opinion on the Equity Share Exchange ratio pertinent to the scheme of arrangement in the matter of de-merger and transfer of De-merged undertaking between Ortin Laboratories limited (demerged company) and Vineet laboratories limited (resulting company) and their respective shareholders and creditors for the proposed Demerger of OLL into two cash and reduction of paid up equity share capital of Ortin Laboratories Limited under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and 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")

Dear Sirs,

We, **Quintessence Enterprises Pvt. Ltd., ("QEPL")**, refer to our offer letter dated 18th April, 2019 which has been duly accepted by you by your mandate letter dated 20.04.2019, whereby you have appointed us as an Independent Merchant Banker for furnishing a "Fairness Opinion" as per SEBI Circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017, for the proposed demerger as per the Companies Act, 2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

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Head Office : 3-3-242/1, Flat No. 302, 5th Floor, Sahitya Vihar Apartments, Fernandez Colony, Hyderabad - 500 012.
Phone : 040 23300144, Mobile : +91 9848207571, +91 9866888811, Website: QUINTESSENCE
Regd. Office : 8-2-293/82/A/431/A, Plot No. 31, Road No. 11, Banjara Hills, Hyderabad - 500 034.
E-mail : quintessence@yahoo.co.in, Website : www.qepvtltd.com

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QUINTESSENCE

**Merchant Banker – Quintessence Enterprises Private Limited (QEPL)**

QEPL formed in 1999, is a Category I, Merchant Banking Company, based in Hyderabad, Telangana, having its registered office and Corporate office at 3-3-242/1, Flat No.302, 5th Floor, Sahitya Vihar Apartments, Fernandez Colony, Hyderabad – 500 012. Phone: 040 – 23300144

It is SEBI registered Merchant Banker with Registration Code INM000011997 in terms of Regulation 8 of SEBI (Merchant Bankers) Regulations, 1992

**Sources of Information**

1. A copy of the Incorporation Certificate, Memorandum and Articles of Association of OLL.
2. A copy of the Incorporation Certificate, Memorandum and Articles of Association of VIOL.
3. Audited financial statements of OLL for the years ended March 31, 2016, 2017, 2018 and audited financials upto 31st December, 2018
4. Audited Financial Statements of Vineet Laboratories Limited for the years 2016-17 and 2017-18
5. Projections of both Ortin of the Company including profit & loss account, balance sheet and cash flow analysis for the financial years ending March 31, 2019 to 2023.
6. Valuation Report dated 15th April, 2019 by CA. M Madhusudhan Reddy Registered Valuer Reg. No. IBBI/RV/05/2019/11954 G-8, Amrutha Villa, opposite Yashoda Hospital, Rajbhavan Road, Somajiguda, Hyderabad-02.

**Background of the companies**

**ORTIN LABORATORIES LIMITED**

(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, 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 21st January, 1995. The

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Registered Office of the company is situated at H. No 3-4-612/95 (old 697), Opp: Bethlehem Park, Barkatpura Hyderabad -500027, Telangana. The demerged company is engaged in the business of manufacturing complete range of pharmaceutical formulations, API intermediates, trading of chemicals, surgical and nutritions. 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 "ORTINLABS". The Corporate Identity Number of the Company is L24117TG1986PLC006885. The PAN of the Company is AAACO2401L.

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 & 276, I.D.A Pashamylaram, Medak Dist. Telangana and the API Intermediates division is being operated through the Unit II located at Sy. No. 394, Mallapur Village, Choutuppal 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.

In the year 2011, Vineet Laboratories Private Limited (CIN U24233TG2003PTC040719 - transferee company) handed by Mr. C. Venkata Ramana, with all its assets and liabilities was merged with Ortin Laboratories Limited (CIN L24117TG1986PLC006885 - transferee company) handed 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 handed by Mr. C. Venkata Ramana who became promoters of Ortin Laboratories Limited by virtue of merger of Vineet Laboratories Private Limited with Ortin

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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 (transferee company) with Ortin Laboratories Limited (transferee company) is maintained. After the amalgamation, Vineet Laboratories Limited was merged into Ortin Laboratories Limited and was struck off from the Register of Companies by the Registrar of Companies at Hyderabad.

**VINEET LABORATORIES LIMITED**

(i) 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. The promoters of the Company were able to get the same name which was merged with Ortin Laboratories Limited in 2011) and its registered office is situated at Sy.No. 11/A3, Sahab Nagar, Kurdu/VII, Chintal Kunta, Ishwaramma Nilayam, L.B Nagar, Hyderabad Telangana – 500074. The Corporate Identity Number of Resulting Company is U24304TG2016PLC113880. 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 AAFCV6694P. The promoters of the Company are the same individuals and their family members of Vineet Laboratories Limited which was merged with Ortin Laboratories Limited in the year 2011.

**Rationale of the Scheme**

(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.

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QUINTESSENCE

(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 & 276, I.D.A Pashamylaram, Medak Dist. Telangana and the API Intermediates division is being operated through the Unit II located at Sy. No.300, Mallapur Village, Choutuppal 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 operation 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 hereunder), 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 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.

**Fairness Opinion:**

As per the valuation report of the Registered Valuer CA M Madhusudhan Reddy registered number IBBI/RV/05/2019/11954) having his office at G-8, Amrutha Villa, opposite Yashoda Hospital, Rajbhavan Road, Somajiguda, Hyderabad-02) a **shareholder of 100 equity shares of the nominal value of Rs. 10/- each in OLL will get 40 equity shares of nominal value of Rs.10/- each in OLL (Demerged Company/Unit-I) and 53 equity shares of the nominal value of**

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QUINTESSENCE

**Rs.10/- each in (Resulting Company/Unit-II) (API Intermediates & Bulk Drug Manufacturing Unit II).**

We **Quintessence Enterprises Private Limited** have reviewed the Valuation Report and **believe it to be fair and reasonable** from financial and commercial point of view to the holders of the equity shares of the Company subject to our concepts and disclaimers.

**Limitation and Caveats of the Fairness Opinion**

1. It is the responsibility of the Board of Directors of the company for ensuring compliances in connection with the proposed proposal. Our role is to examine the Valuation carried out by the Registered Valuer and comment on the Fairness of the same.
2. Our fairness opinion is based on the information made available to us by the management of OLL. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis stated in this report. We have reviewed the information made available to us for over all consistency but have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company. Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
3. The information contained in this report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide updated or additional information or to correct any inaccuracy or omission in the information.
4. In rendering this Opinion, QEPL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly QEPL does not assume any responsibility in respect thereof. Further QEPL has assumed that the proposal will be implemented on the terms and conditions as set out without any material changes to or waiver of its terms and conditions.

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QUINTESSENCE

5. We further declare that we do not have any direct or indirect interest in the Companies / assets valued.
6. This report is intended only for the sole use and information of the company and its shareholders only in connection with the Demerger including for the purpose of obtaining judicial and regulatory approvals for the same.
7. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person /party intending to provide finance / invest in the shares / business of any of the companies or their subsidiaries / joint venture / associates shall do so after making their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.
8. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposal or otherwise can be done only with our prior permission in writing.
9. Our analysis and results are also specific to the date of this report and based on information as at 31st December, 2018. An exercise of this nature involves consideration of various factors. This report is based on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion on the Equity Share Exchange Ratio for the Proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposal.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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QUINTESSENCE

It may further be noted that in no circumstances shall the liability of Quintessence Enterprises Private Limited (QEPL), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fee for this opinion.

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report.

Thanking you,

Yours faithfully,

For and on behalf of
**Quintessence Enterprises Private Limited**

**Lavanya Chandra**
**Executive Director**
Hyderabad
26.04.2019

Encl: (1) Valuation Report by the Registered Valuer.

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Annexure-12

BSE
LIST OF SECURITIES

DCS/AMAL/SD/FOT/18/2019-20 June 26, 2019

The Company Secretary,
Ortin Laboratories Ltd.
D. No. 3-4-612/64 (697),
Opp. Bethlehem Park, Barkatpura,
Hyderabad, Telangana- 500027

Dear Sir,

**Sub: Observation letter regarding the Draft Scheme of Demerger of Ortin Laboratories Limited into Vineet Laboratories Limited.**

We are in receipt of Draft Scheme of Demerger of Ortin Laboratories Limited into Vineet Laboratories Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. SEBI vide its letter dated June 18, 2019 has inter alia given the following comments on the draft scheme of arrangement:

- **"Company to ensure that applicable information pertaining to the unlisted entity Vineet Laboratories Limited is included in the format specified for abridged prospectus as specified in the circular."**
- **"The scheme shall disclose the proposed of reclassification of promoters in detail and obtain shareholder approval for the same in terms of the provisions of LODR regulations."**
- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is disclosed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of BSE/Stock Exchanges shall be incorporated in the petition to the Hon'ble National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after obtaining and complying with all conditions/observations on draft scheme by SEBI/stock exchanges. Hence, the company is required to send notice to representations as mentioned under section 230(5) of Companies Act, 2013 to SEBI/ Agmk for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, as stated above along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, as stated aforesaid along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to these matters, having a bearing on listing/delisting/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

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However, the listing of equity shares of Vineet Laboratories Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation Rules, 1957 and compliance with the requirements of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Vineet Laboratories Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Bye-laws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Vineet Laboratories Limited is at the discretion of the Exchange. In addition to the above, the listing of Vineet Laboratories Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Vineet Laboratories Limited to BSE with the disclosure requirements applicable for public issues with SEBI, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make this same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Vineet Laboratories Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2018/1021 dated March 19, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Vineet Laboratories Limited on a continuous basis so as to make the same public, in addition to the requirements there, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
   i. 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.
   ii. There shall be no change in the shareholding pattern of Vineet Laboratories Limited between the record date and the listing which may affect the status of this approval.

Further you are also advised to bring the contents of this letter to that notice of your shareholders, on relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that this aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,
Bhimsingh Pujari
Senior Manager

S&P BSE SENSEX

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NSE

National Stock Exchange Of India Limited

Ref: NSE/LIST/19643_1 June 20, 2019

The Company Secretary
Ortin Laboratories Limited
D. No. 3-4-512/35 (434&47),
Opp: Barkatpura Park, Barkatpura,
Telangana - 500027

**Kind Attn.: Mr. S Murali Krishna Murthy**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement in the matter of De-Merger and Transfer of De - Merged Undertaking between Ortin Laboratories Limited and Vineet Laboratories Limited and reduction of paid up equity share capital of Ortin Laboratories Limited and their respective shareholders and creditors**

We are in receipt of the Scheme of Arrangement in the matter of De-Merger and Transfer of the API Intermediates Division (De-Merged Undertaking) between Ortin Laboratories Limited (Demerged Company) and Vineet Laboratories Limited (Resulting Company) and reduction of paid up equity share capital of Ortin Laboratories Limited and their respective shareholders and creditors vide application dated January 02, 2019.

Based on our letter reference no Ref: NSE/LIST/19643 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated June 18, 2019, has given following comments:

a. *The Company shall ensure that the Scheme shall disclose the proposal of re-classification of promoters in detail and obtain shareholder approval for the same in terms of the provisions of LODR Regulations.*
b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
c. *The Company shall duly comply with various provisions of the Circular.*
d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchanges, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchanges. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Dinesh Rajendra P Bhosale
Date: 2019.06.20 12:24:31 IST
Location: MUM

NSE

National Stock Exchange of India Limited | Exchange Plaza, 5 th Floor & Annex Bldg, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, India | T: 22 26598100 | www.nseindia.com | CIN: U67120MH1992PLC069769

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NSE

Continuation Sheet

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from June 20, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

NSE

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Annexure-13

BMQR

Ortin

To, Date: 23.11.2018

BSE Limited
P J Towers, Dalal Street
Mumbai – 400001

Dear Sir/Madam

Sub: Scheme of arrangement under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 between Ortin Laboratories Limited and Vineet Laboratories Limited and their respective shareholders and creditors

Ref: Complaints Report under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated March 19, 2017 bearing reference CFD/DIL3/CIR/2017/21 dated

With reference to the subject cited, we hereby confirm that as on the close of November 22, 2018, neither the Company nor its Registrar and Share Transfer Agent being M/s. Karvy Computershare Pvt. Ltd at Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, either directly or through the stock exchanges / SEBI, have received any complaint from any shareholder of the Company in connection with the captioned Scheme.

Consequently, in terms of Paragraph I (A) (9) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as Annexure I hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between 22.11.2018 and 22.11.2018 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of BSE.

Request you to take the enclosed information on record and to take necessary action in this regard.

For Ortin Laboratories limited

S. Murali Krishna Murthy
Managing Director
DIN: 02540632

Encl: as above

Corp. & Regd. Office : Door No. 3-4-512/35 (434/47), Opp: Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana, INDIA. Phone : +91 40 27562255 / +91 40 27562256
website : www.ortinlaboratories.com Email : info@ortinlaboratories.com
CIN : L24120TG1986PLC006869

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BMQR

Ortin

ANNEXURE 1

Part A

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1. | Nil | N.A. | N.A. |

For Ortin Laboratories limited

S. Murali Krishna Murthy
Managing Director
DIN: 02540632

Corp. & Regd. Office : Door No. 3-4-512/35 (434/47), Opp: Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana, INDIA. Phone : +91 40 27562255 / +91 40 27562256
website : www.ortinlaboratories.com Email : info@ortinlaboratories.com
CIN : L24120TG1986PLC006869

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BMQR

Ortin

To, Date: 07.06.2019

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Mumbai – 400051

Dear Sir/Madam,

Sub: Scheme of arrangement under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 between Ortin Laboratories Limited and Vineet Laboratories Limited and their respective shareholders and creditors.

Ref: Complaints Report under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated March 10, 2017 bearing reference-CFD/DIL3/CIR/2017/21.

With reference to the subject cited, we hereby confirm that as on the close of June 04, 2019, neither the Company nor its Registrar and Share Transfer Agent being M/s. Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, either directly or through the stock exchanges / SEBI, have received any complaint from any shareholder of the Company in connection with the captioned Scheme.

Consequently, in terms of Paragraph I (A) (9) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as Annexure I hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between 05.05.2019 and 06.06.2019.

Request you to take the enclosed information on record and to take necessary action in this regard.

For Ortin Laboratories limited

S. Murali Krishna Murthy
Managing Director
DIN: 02540632

Encl: as above

Corp. & Regd. Office : Door No. 3-4-512/35 (434/47), Opp: Barkatpura Park, Barkatpura, Hyderabad - 500027, Telangana, INDIA. Phone : +91 40 27562255 / +91 40 27562256
website : www.ortinlaboratories.com Email : info@ortinlaboratories.com
CIN : L24120TG1986PLC006869

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Ortin

ANNEXURE 1

Period of Complaints Report:
05.05.2019 - 06.06.2019

Part A

| Sr. No | Particulars | Number |
|---|---|---|
| 1 | Number of complaints received directly | Nil |
| 2 | Number of complaints forwarded by Stock Exchange | Nil |
| 3 | Total Number of complaints/comments received (1+2) | Nil |
| 4 | Number of complaints resolved | N.A |
| 5 | Number of complaints pending | Nil |

Part B

| Sl. No | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1 | Nil | N.A | N.A |

For Ortin Laboratories Limited

Date: 07.06.2019
Place: Hyderabad

S. Murali Krishna Murthy
(Managing Director)
(DIN: 02540632)

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Annexure-14

**ABRIDGED PROSPECTUS**

Private & Confidential

This Disclosure Document consists of 10 printed pages

14.01.2020

For shareholders of Ortin Laboratories Limited only

**FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF ORTIN LABORATORIES LIMITED ONLY**

**VINEET LABORATORIES LIMITED**

Please see below the applicable information pertaining to Vineet Laboratories Limited in accordance with circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof, issued by the Securities and Exchange Board of India ("SEBI").

Vineet Laboratories Limited was incorporated on November 11, 2016 as a public limited company
Registered office: Sy.No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta, Eshwaramma Nilayam, L B Nagar
Hyderabad – 500074, Telangana
Telephone: +91 040 24128833; Email: vineetlaboratories@gmail.com,
Contact Person – G. Venkata Ramana
CIN: U24304TG2016PLC112888

This Abridged Prospectus is in the nature of a Disclosure Document containing salient features of the Scheme Of Arrangement in the matter of de-merger and transfer of De-merged 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 section 66 of the Companies Act, 2013 and the rules made thereunder and the relevant provisions of the Income-Tax Act, 1961 in connection with the demerger of API Intermediates Division of the Ortin Laboratories Limited into Vineet Laboratories Limited (herein after referred to as the "Scheme"). This Disclosure Document discloses applicable information of the unlisted entity, i.e., Vineet Laboratories Limited, in compliance with SEBI circular no: CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the "SEBI Circular") and amendments thereto relating to the Scheme.

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Pursuant to the Scheme of Arrangement and subject to the applicable laws and receipt of requisite approvals, including exemption from Rule 19(2) (b) of the Securities Contract (Regulations) Rules, 1957 ("the SCRR") to be obtained from SEBI, the Equity shares of Vineet Laboratories Limited will be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (NSE and BSE jointly hereinafter with BSE referred to as "Stock Exchanges"). For the purpose of this scheme, BSE Limited shall be the designated stock Exchange.

**PROMOTERS OF VINEET LABORATORIES LIMITED**

Gaddam Venkata Ramana, Gaddam Venkata Rama, Alluri Ranga Raju, Alluri Prabhakara Raju, Alluri Muthili, Valluru vara Prasada Rao, A. Srinivasa Raju, Bh. Satya Narayana Raju, P. Kishore Raju, P. Venkata Krishnam Raju, K. Murali Mohan are the promoters of Vineet Laboratories Limited. Post the Scheme becoming effective, the existing promoters of API Intermediates Division (Unit II) of Ortin Laboratories Limited (Demerged Company) would become the promoters of Vineet Laboratories Limited

**SHARE EXCHANGE RATIO**

Mr. M. Madhusudhana Reddy., Registered Valuer having Reg No. IBBI/RV/05/2019/10954 has submitted his report dated 13.04.2019 and recommended a fair Equity Share Exchange Ratio as follows:

52 fully paid up Equity shares of Rs. 10/- each of Vineet Laboratories Limited be issued and allotted to the shareholders of Ortin Laboratories Limited for every 100 fully paid up Equity Shares held by them in f Ortin Laboratories Limited in the event of Demerger of Demerged Undertaking of Ortin Laboratories Limited into Vineet Laboratories Limited.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the scheme. For taking an investment decision, shareholders must rely on their own examination of our Company and the scheme including the risk involved. The Equity Shares being issued under the scheme have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of this document.

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**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 Ortin 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 Vineet Laboratories Limited.

The demerger of the Ortin Laboratories Limited (Demerged Company) shall be in accordance with Section 2 (19AA) of the Income Tax Act, 1961, such that:

(a) all the assets relatable 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 relatable 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 relatable 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.

Upon the effectiveness of the Scheme and in consideration of the transfer and vesting of the API Intermediates Division (Unit II) of Ortin Laboratories Limited (Demerged Company) into Vineet Laboratories Limited (Resulting Company)pursuant to provisions of the Scheme, Vineet Laboratories Limited shall, issue and allot to each shareholder of Ortin Laboratories Limited, whose name is recorded in the Register of Members and records of the Depository as Members of Ortin Laboratories Limited, 52 (fifty Two) Equity Share of Rs. 10 (Rupees Ten) each of Vineet Laboratories Limited issued /credited as fully paid up for every 100 Equity Share of Rs 10 (Rupees Ten) each held by such shareholder in Ortin Laboratories Limited.

The Scheme is subject to the approvals and sanctions as mentioned in the Scheme.

The Equity Shares so issued by Vineet 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.





**ELIGIBILITY**

In compliance with the SEBI Circular(s) and in accordance with the disclosure rules for an abridged prospectus format as provided in Part E 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 Vineet Laboratories Limited to the holders of securities of Ortin Laboratories Limited pursuant to a Scheme to be sanctioned by NCLT, Hyderabad Bench under Sections 230 and 232 of the Companies Act, 2013;

The percentage of shareholding of post-scheme public shareholders and Qualified Institutional Buyers (QIBs) of the listed entity and Vineet 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**

Vineet Laboratories Limited, having made all reasonable inquiries, accepts responsibility for and confirms that the Disclosure Document contains all information with regard to Vineet 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 respect, 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 of such information or the expression of any such opinions or intentions, misleading in any material respect.

**GENERAL INFORMATION:**

| Name of Merchant Banker and contact details | Name of Statutory auditor and contact details |
|---|---|
| CIL SECURITIES LIMITED<br>MERCHANT BANKER<br>Address: 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500001, Telangana<br>Tel:040-23203155 / 23202465<br>E-mail: advisors@cilsecurities.com<br>Website: www.cilsecurities.com<br>CIN: **L67120TG1989PLC010188**<br>SEBI Registration Number: **INM000009694** | STATUTORY AUDITORS OF THE COMPANY<br>M/s, M M Reddy & Co. Chartered Accountants, M M R Lion Corp, 4th Floor, HSR Eden, Beside Cream Stone, Road No.2, Banjara Hills, Hyderabad - 500 034.<br>Tel.: 040-40272617<br>Email id: mmreddyandco@gmail.com<br>FRN: 0103715 |





**PROMOTERS OF VINEET LABORATORIES LIMITED**

Mr. Gaddam Venkata Ramana is a Master of Science in chemistry. His post qualification experience is over 30 years and has been in the fields of Finance, accounts, secretarial and general management. He is presently functioning as the Joint Managing Director of Ortin Laboratories Limited.

Mrs. Gaddam Venkata Rama is a Graduate and housewife.

Mr. Alluri Ranga Raju is an ITI. His post qualification experience is over 20 years and has been in the fields of accounts and general management. He is presently working in Ortin Laboratories Limited

Mr. Alluri Prabhakara Raju is an ITI. His post qualification experience is over 20 years and has been in the fields of secretarial and general management. He is presently working in Ortin Laboratories Limited.

Ms. Alluri Mythili is a Post Graduate in Master of Arts and is a housewife.

Mr. Valluru Vara Prasada 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 Ortin Laboratories Limited.

Mr. A. Srinivasa Raju is 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 Ortin 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 Ortin 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. Venkata Krishnam Raju a SSC. 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 Ortin Laboratories Limited.





**BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY**

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

**BOARD OF DIRECTORS**

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

| S.No | Name | Designation | Experience |
|---|---|---|---|
| 1. | Gaddam Venkata Ramana | Director | Please refer to the promoters of VLL for details |
| 2. | Satyanarayana Raju Bhupathiraju | 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 Ortin Laboratories Limited and Vineet Laboratories Limited whereby it is proposed to demerge the API Intermediates Division of Ortin Laboratories Limited to Vineet Laboratories Limited

The Scheme envisages issuance of shares by Vineet Laboratories Limited to the shareholders of Ortin 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 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.

The separation of the API Intermediates Division, by way of the Scheme from Ortin 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;





(ii). 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.

With a view to achieve the aforesaid growth potential, Ortin 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 VINEET LABORATORIES LIMITED**

| Sl. No | Name of the promoter | prior to the scheme becoming effective | | post scheme becoming effective | |
|---|---|---|---|---|---|
| | | No. of Equity Shares | % | No. of Equity Shares | % |
| 1 | Satyanarayanaraju Bhupathiraju | 50000 | 7.51 | 182987 | 3.12 |
| 2 | A. Srinivas Raju | 54050 | 8.44 | 238810 | 2.59 |
| 3 | A Ranga Raju | 54050 | 8.44 | 132030 | 2.08 |
| 4 | A Prabhakar Raju | 56400 | 8.88 | 217336 | 3.87 |
| 5 | A Mythili | 56400 | 8.88 | 164521 | 2.22 |
| 6 | Venkata Ramana Gaddam | 51600 | 12.53 | 472172 | 3.18 |
| 7 | A Anandalakshmi | - | - | 165841 | 1.80 |
| 8 | Venkata Rama Gaddam | 51400 | 12.54 | 192960 | 4.89 |
| 9 | Gaddam Srinivasa Rao | - | - | 16251 | 0.16 |
| 10 | Gaddam Balaji | - | - | 16993 | 0.18 |
| 11 | V. Vengaprasada Rao | 51400 | 12.54 | 162083 | 1.71 |
| 12 | K. Murali Mohan | 50000 | 12.20 | 50000 | 0.54 |
| 13 | P. Kishore Raju | 16750 | 4.09 | 16750 | 0.18 |
| 14 | P. Venkata Krishnam Raju | 16750 | 4.09 | 16750 | 0.18 |
| | Total | 410000 | 100 | 2672863 | 28.99 |





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

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

| Category | No. of shares | % paid up capital after demerger |
|---|---|---|
| Promoters | 26,72,863 | 28.99 |
| Public | 65,46,145 | 71.01 |
| Total | 92,19,008 | 100.00 |

**FINANCIALS STATEMENTS**

**Statement of Assets and Liabilities (Amount in Rs.)**

| Particulars | For the Period Ended on 30.09.2019 - UN AUDITED | For the year ended 31.03.2019 -AUDITED |
|---|---|---|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity Share Capital | 41,00,000 | 41,00,000 |
| Other Equity | - | - |
| Share Application money pending allotment | - | - |
| Non-Current Liabilities | | |
| Long Term Liabilities | - | - |
| Long Term Provision | - | - |
| Current Liabilities | | |
| Short term Borrowings | - | - |
| Short term Provisions | - | - |
| Trade Payables | 51,590 | 74,790 |
| Other Current Liabilities | - | - |
| Total | 41,51,590 | 41,74,790 |
| Assets | | |
| Non-current Assets | - | - |
| Property, plant and equipment | - | - |
| Non-current tax asset | - | - |
| Current Assets | | |
| Inventories | - | - |
| Investment | - | - |
| Trade Receivables | - | - |
| Cash and Cash Equivalents | 41,864 | 60,080 |
| Loans | - | - |





| | | |
|---|---|---|
| Other Financial assets | - | - |
| Other current- assets | 41,07,726 | 41,05,700 |
| Total | 41,51,590 | 41,74,790 |

**SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT (Amount In Rs.)**

| Particulars | For the Period Ended on 30.09.2019 - UN AUDITED | For the year ended 31.03.2019 -AUDITED |
|---|---|---|
| INCOME | | |
| Revenue from Operation | - | - |
| Other Income | - | - |
| TOTAL | - | - |
| EXPENDITURE | | |
| Employee benefit expenses | - | - |
| Depreciation and amortization | - | - |
| Other expenses | - | - |
| Total | - | - |
| Profit Before tax | - | - |
| Less: Tax expenses | - | - |
| -current Tax | - | - |
| -Deferred Tax | - | - |
| Profit/ Loss after tax | - | - |
| Earning per Equity shares (in Rs.) | | |
| -Basic | - | - |
| -Diluted | - | - |

**RESTATED FINANCIALS**

(Amount in Rs.)

| PARTICULARS | For the Period Ended on 30.09.2019 - UN AUDITED | For the year ended 31.03.2019 -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 | - | - |
| Net Worth | 4100000 | 4100000 |
| Basic Earnings Per Share ( in INR) | - | - |
| Diluted Earnings Per Share ( in INR) | - | - |
| Return on Networth (%) | - | - |
| Net Asset Value Per Share (in INR) | 10 | 10 |





**INTERNAL RISK FACTORS**

The Scheme is subject to approval of (i) shareholders, sundry Creditors of Ortin Laboratories Limited (ii) Sanction by Hon'ble National Company Law Tribunal, Hyderabad Bench in accordance with section 230-230 read with section 66 of Companies Act, 2013 (iii) In-principal 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 LITIGATONS, 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 action, 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, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956 and Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 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 statement in this document is true and correct.

For Vineet Laboratories Limited

G. Venkata Ramana
Director
DIN: 00031873

Dated: 14.01.2020
Place: Hyderabad





Annexure-15

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**PRE - DEMERGER**

**Format of holding of specified securities**

1. Name of Listed Entity: **M/s. ORTIN LABORATORIES LIMITED**
2. Scrip Code/Name of Scrip/Class of Security: **Equity Shares**
3. Share Holding Pattern Filed under Reg. 31(1)(a),Reg. 31(1)(b),Reg.31(1)(c) **31(1)(b)**
   a. If under 31(1)(b) then indicate the report for Quarter ending **31.12.2019**
   b. If under 31(1)(c) then indicate date of allotment/extinguishment

**4. Declaration**: The listed entity is required to submit the following declaration to the extent of submission of information:-

| Particulars | Yes* | No* |
|---|---|---|
| 1 Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 Whether the Listed Entity has any shares in locked-in? | | No |
| 5 Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

Table I – Summary statement holding of specified securities (only one class of equity shares)

| Category (I) | Category of shareholder (II) | No. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Locked in shares (XII) | No. of Shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | No of voting rights | | Total as % of (A+B+C) | | | |
| (A) | Promoter & Promoter group | 17 | 3311144 | 0 | 0 | 3311144 | 24.34 | 3311144 | 24.34 | 0 | 24.34 | 0 |
| (B) | Public | 6,114 | 11233024 | 0 | 0 | 11233024 | 82.66 | 11233024 | 82.66 | 0 | 82.66 | 0 |
| (C) | Non promoter non public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 6,131 | 14544168 | 0 | 0 | 14544168 | 100 | 14544168 | 100 | 0 | 100 | 0 |





| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | S. Sivakumar Rao | 400000 | 0 | 0 | 400000 | 0.27 | 400000 | 0.27 | 0 | 0.27 | 0 | 0 | 0 | 0 | 0 | 400000 |
| 24 | Sandeep Kumar | 400000 | 0 | 0 | 400000 | 0.27 | 400000 | 0.27 | 0 | 0.27 | 0 | 0 | 0 | 0 | 0 | 400000 |
| 25 | S. Thomas Clement | 400000 | 0 | 0 | 400000 | 0.27 | 400000 | 0.27 | 0 | 0.27 | 0 | 0 | 0 | 0 | 0 | 400000 |
| 26 | Sandeep Kumar Garment | 350000 | 0 | 0 | 350000 | 0.24 | 350000 | 0.24 | 0 | 0.24 | 0 | 0 | 0 | 0 | 0 | 350000 |
| 27 | Sandeep Kumar Garment | 350000 | 0 | 0 | 350000 | 0.24 | 350000 | 0.24 | 0 | 0.24 | 0 | 0 | 0 | 0 | 0 | 350000 |
| 28 | Anjana Sandeep Kumar | 320000 | 0 | 0 | 320000 | 0.22 | 320000 | 0.22 | 0 | 0.22 | 0 | 0 | 0 | 0 | 0 | 320000 |
| 29 | Sandeep Kumar Premkumar Kumar | 144000 | 0 | 0 | 144000 | 0.09 | 144000 | 0.09 | 0 | 0.09 | 0 | 0 | 0 | 0 | 0 | 144000 |
| 30 | Sandeep Kumar Premkumar | 144000 | 0 | 0 | 144000 | 0.09 | 144000 | 0.09 | 0 | 0.09 | 0 | 0 | 0 | 0 | 0 | 144000 |
| | Sub-Total (A)(1) | 3311144 | 0 | 0 | 3311144 | 24.34 | 3311144 | 24.34 | 0 | 24.34 | 0 | 0 | 0 | 0 | 0 | 3311144 |
| (2) | Foreign | | | | | | | | | | | | | | | |
| a | Individuals (NRI/ For eign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total shareholding of promoter and promoter group | 17 | 3311144 | 0 | 0 | 3311144 | 24.34 | 3311144 | 24.34 | 0 | 24.34 | 0 | 0 | 0 | 0 | 3311144 |





| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 31 | Sandeep Kumar Premkumar | 0.00 | 11233024 | 0 | 0 | 11233024 | 82.66 | 11233024 | 82.66 | 0 | 82.66 | 0 | 0 | 0.00 | 0 | 10933024 |
| | Total Public shareholding (B) = (B)(1)+(B)(2)+(B)(3) | 0.00 | 11233024 | 0 | 0 | 11233024 | 82.66 | 11233024 | 82.66 | 0 | 82.66 | 0 | 0 | 0.00 | 0 | 10933024 |

Table IV – Statement showing shareholding pattern of the Non Promoter – Non Public shareholder

| | Category & Name of the shareholders (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding % calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities, (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities, as a percentage of diluted share capital (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of voting rights | | Total as % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| (1) | Institutions (Domestic) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (a) | Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) | Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) | Foreign Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Provident Funds/Pension Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (j) | Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |





| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | J. Prabhakar Raju | 400000 | 0 | 0 | 400000 | 0.28 | 400000 | 0.28 | 0 | 0.28 | 0 | 0 | 0 | 0 | 0 | 400000 |
| 31 | Vinod Kumar | 300000 | 0 | 0 | 300000 | 0.21 | 300000 | 0.21 | 0 | 0.21 | 0 | 0 | 0 | 0 | 0 | 300000 |
| 32 | Sandeep Kumar Garment | 150000 | 0 | 0 | 150000 | 0.10 | 150000 | 0.10 | 0 | 0.10 | 0 | 0 | 0 | 0 | 0 | 150000 |
| 33 | Sandeep Kumar Garment | 120000 | 0 | 0 | 120000 | 0.08 | 120000 | 0.08 | 0 | 0.08 | 0 | 0 | 0 | 0 | 0 | 120000 |
| 34 | Sandeep Kumar Garment | 110000 | 0 | 0 | 110000 | 0.08 | 110000 | 0.08 | 0 | 0.08 | 0 | 0 | 0 | 0 | 0 | 110000 |
| 35 | Sandeep Kumar Garment | 100000 | 0 | 0 | 100000 | 0.07 | 100000 | 0.07 | 0 | 0.07 | 0 | 0 | 0 | 0 | 0 | 100000 |
| 36 | Sandeep Kumar Garment | 100000 | 0 | 0 | 100000 | 0.07 | 100000 | 0.07 | 0 | 0.07 | 0 | 0 | 0 | 0 | 0 | 100000 |
| | Sub-Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(2) | 36 | 2900000 | 0 | 0 | 2900000 | 20.00 | 2900000 | 20.00 | 0 | 20.00 | 0 | 0 | 0 | 0 | 2900000 |
| 7 | Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Individuals (NRI/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Public Shareholding (B)= (B)(1)+ (B)(2)+ (B)(3) | 6,114 | 11233024 | 0 | 0 | 11233024 | 82.66 | 11233024 | 82.66 | 0 | 82.66 | 0 | 0 | 0.00 | 0 | 10933024 |





| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 | PRABHAKAR Kumar Jain Raju | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Non Institutions | | | | | | | | | | | | | | | |
| (a) | Individuals | | | | | | | | | | | | | | | |
| i | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs | 5,730 | 2415724 | 0 | 0 | 2415724 | 16.61 | 2415724 | 16.61 | 0 | 16.61 | 0 | 0 | 0.00 | 0 | 2415724 |
| ii | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 14 | 468753 | 0 | 0 | 468753 | 3.22 | 468753 | 3.22 | 0 | 3.22 | 0 | 0 | 0.00 | 0 | 468753 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Overseas Depositories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any other (specify) | | | | | | | | | | | | | | | |
| | Bodies Corporate | 70 | 3315000 | 0 | 0 | 3315000 | 0.23 | 3315000 | 0.23 | 0 | 0.23 | 0 | 0 | 0.00 | 0 | 3315000 |
| | Hindu Undivided Families | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Non Resident Indians | 40 | 320000 | 0 | 0 | 320000 | 2.19 | 320000 | 2.19 | 0 | 2.19 | 0 | 0 | 0.00 | 0 | 320000 |
| | Clearing Members | 14 | 6110 | 0 | 0 | 6110 | 0.04 | 6110 | 0.04 | 0 | 0.04 | 0 | 0 | 0.00 | 0 | 6110 |





Table III – Statement showing shareholding pattern of the Public shareholder (only one class of equity shares)

| | Category & Name of the shareholders (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities, (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities, as a percentage of diluted share capital (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of voting rights | | Total as % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| (1) | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (a) | Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) | Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) | Foreign Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Provident Funds/Pension Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (j) | Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |





Table II – Statement showing shareholding pattern of the Promoter and Promoter Group (only one class of equity shares)

| | Category & Name of the shareholders (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of voting rights | | Total as % of (A+B) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| 1 | Indian | | | | | | | | | | | | | | | | |
| a | Individuals/HUF Family | 36 | 3900000 | 0 | 0 | 3900000 | 26.82 | 3900000 | 26.82 | 0 | 26.82 | 0 | 0 | 0 | 0 | 3900000 |
| | Bodies | | | | | | | | | | | | | | | | |
| b | Sandeep Kumar Garment(Partnership) | 1 | 357827 | 0 | 0 | 357827 | 2.46 | 357827 | 2.46 | 0 | 2.46 | 0 | 0 | 0 | 0 | 357827 |
| c | Sri Sai Investment Pvt. Ltd.(Pvt.Ltd.) | 1 | 1000100 | 0 | 0 | 1000100 | 6.88 | 1000100 | 6.88 | 0 | 6.88 | 0 | 0 | 0 | 0 | 1000100 |
| d | Sandeep Kumar Garment | 1 | 1000000 | 0 | 0 | 1000000 | 6.88 | 1000000 | 6.88 | 0 | 6.88 | 0 | 0 | 0 | 0 | 1000000 |
| e | J. Bhaskar Raju | 1 | 300000 | 0 | 0 | 300000 | 2.06 | 300000 | 2.06 | 0 | 2.06 | 0 | 0 | 0 | 0 | 300000 |
| f | J. Prabhakar Raju | 1 | 300000 | 0 | 0 | 300000 | 2.06 | 300000 | 2.06 | 0 | 2.06 | 0 | 0 | 0 | 0 | 300000 |
| | Sub-Total (A)(1) | 40 | 6857927 | 0 | 0 | 6857927 | 47.16 | 6857927 | 47.16 | 0 | 47.16 | 0 | 0 | 0 | 0 | 6857927 |
| 2 | Foreign | | | | | | | | | | | | | | | |
| a | Individuals (NRI/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total shareholding of promoter and promoter group | 40 | 6857927 | 0 | 0 | 6857927 | 47.16 | 6857927 | 47.16 | 0 | 47.16 | 0 | 0 | 0 | 0 | 6857927 |





| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 | Sandeep Kumar Garment | 1 | 1000000 | 0 | 0 | 1000000 | 6.88 | 1000000 | 6.88 | 0 | 6.88 | 0 | 0 | 0.00 | 0 | 1000000 |
| 7 | Vinod Kumar | 1 | 300000 | 0 | 0 | 300000 | 2.06 | 300000 | 2.06 | 0 | 2.06 | 0 | 0 | 0.00 | 0 | 300000 |
| 8 | Sandeep Kumar Garment | 1 | 150000 | 0 | 0 | 150000 | 1.03 | 150000 | 1.03 | 0 | 1.03 | 0 | 0 | 0.00 | 0 | 150000 |
| 9 | Sandeep Kumar Garment | 1 | 120000 | 0 | 0 | 120000 | 0.83 | 120000 | 0.83 | 0 | 0.83 | 0 | 0 | 0.00 | 0 | 120000 |
| 10 | Sandeep Kumar Garment | 1 | 110000 | 0 | 0 | 110000 | 0.76 | 110000 | 0.76 | 0 | 0.76 | 0 | 0 | 0.00 | 0 | 110000 |
| 11 | Sandeep Kumar Garment | 1 | 100000 | 0 | 0 | 100000 | 0.69 | 100000 | 0.69 | 0 | 0.69 | 0 | 0 | 0.00 | 0 | 100000 |
| 12 | Sandeep Kumar Garment | 1 | 100000 | 0 | 0 | 100000 | 0.69 | 100000 | 0.69 | 0 | 0.69 | 0 | 0 | 0.00 | 0 | 100000 |
| | Sub-Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(2) | 36 | 2900000 | 0 | 0 | 2900000 | 20.00 | 2900000 | 20.00 | 0 | 20.00 | 0 | 0 | 0 | 0 | 2900000 |
| 7 | Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Individuals (NRI/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Any other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |





# POST - DEMERGER

**Format of holding of specified securities**

1. Name of Listed Entity: **M/s. ORTIN LABORATORIES LIMITED**
2. Scrip Code/Name of Scrip/Class of Security: **539287**
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) **31(1)(c)**
   a. If under 31(1)(b) then indicate the report for Quarter ending: **NA**
   b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. **Declaration**: The Listed entity is required to submit the following declaration to the extent of submission of information:

| | Particulars | Yes* | No* |
|---|---|---|---|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

Table I - Summary statement holding of specified securities (only one class of equity shares)

| Category (I) | Category of shareholder (II) | No. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: X | Class eg: Y | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| (A) | Promoter & Promoter Group | 11 | 3400012 | 10140 | 0 | 3410152 | 10.46 | 3400012 | | 3400012 | 10.46 | 0 | 10.46 | 0 | 0 | 0 | 0 | 3400012 |
| (B) | Public | 4995 | 29093140 | 89707 | 0 | 29182847 | 89.54 | 29093140 | | 29093140 | 89.54 | 0 | 89.54 | 0 | 0 | 0 | 0 | 27355147 |
| (C) | Non promoter non public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 5006 | 32493152 | 99847 | 0 | 32593000 | 100.00 | 32493152 | | 32493152 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 30755159 |































# PRE - DEMERGER

**Format of holding of specified securities**

1. Name of Listed Entity: **M/s. Vineet Laboratories Limited**
2. Scrip Code/Name of Scrip/Class of Security: **Equity**
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : 31(1)(b)
4. If under 31(1)(b) then indicate the report for Quarter ending: **For the quarter ended 31.12.2018**
5. If under 31(1)(c) then indicate date of allotment/extinguishment.

**4. Declaration:** The Listed entity is required to submit the following declaration to the extent of submission of information:-

| | Particulars | Yes* | No* |
|---|---|---|---|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

Table I - Summary statement holding of specified securities (only one class of equity shares)

| Category (I) | Category of shareholder (II) | No. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. of shares underlying Outstanding convertible securities and No. of Warrants (Xi)(a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| (A) | Promoter & Promoter group | 11 | 4,110,000 | 100 | 0 | 4,110,100 | 7.00 | 4,110,000 | 100 | 4,110,100 | 0 | 0 | | 0 | | 0 | | 0 | 4,110,000 |
| (B) | Public | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| (C) | Non promoter-non public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| (C2) | Shares held by employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| | Total | 11 | 4,110,000 | 100 | 0 | 4,110,100 | 100 | 4,110,000 | 100 | 4,110,100 | 0 | 0 | | 0 | | 0 | | 0 | 4,110,000 |





| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Sub Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Total shareholding of Promoter and promoter group | 10 | 4,110,000 | 0 | 0 | 4,110,000 | 100 | 4,110,000 | 100 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,110,000 |

Table III - Statement showing shareholding pattern of the Public shareholder (only one class of equity shares)

| Category & Name of the shareholders (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. of shares underlying Outstanding convertible securities and No. of Warrants (Xi)(a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Class eg: X | Class eg: Y | Total | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| (1) Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| (2) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| (3) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| (4) Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| (5) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |





| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (6) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (7) | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (8) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (9) | Provident Funds/Pension Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (10) | Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (2) | Central/State Government(s) and Ind | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (3) | Non-institutions | | | | | | | | | | | | | | | | | | |
| (a) | Individuals | | | | | | | | | | | | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | 0 | 0 | 0 | |
| (d) | Overseas Depositories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | 0 | 0 | 0 | |
| (e) | Any other entity | | | | | | | | | | | | | | | | | | |
| | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Hindu Undivided Families | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |





Table II - Statement showing shareholding pattern of the Promoter and Promoter Group (only one class of equity shares)

| Sr. No. | Category & Name of the shareholder (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. of shares underlying Outstanding convertible securities and No. of Warrants (Xi)(a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| a | Individuals/ Hindu Undivided Family | 11 | 4,110,000 | 100 | 0 | 4,110,100 | 100 | 4,110,000 | 100 | 4,110,100 | 0 | 0 | | 0 | | 0 | | 0 | 4,110,000 |
| | Bansal | | | | | | | | | | | | | | | | | | |
| b | Central Government/ State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| c | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| d | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| | Sub-Total (A)(1) | 11 | 4,110,000 | 100 | 0 | 4,110,100 | 100 | 4,110,000 | 100 | 4,110,100 | 0 | 0 | | 0 | | 0 | | 0 | 4,110,000 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | |
| a | Individuals (NRI/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| b | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| c | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| d | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| e | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| | Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 | 0 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 11 | 4,110,000 | 100 | 0 | 4,110,100 | 100 | 4,110,000 | 100 | 4,110,100 | 0 | 0 | | 0 | | 0 | | 0 | 4,110,000 |





| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Any Unclaimed Suspense Account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Shareholding of Promoter and Promoter Group | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Total (A)+(B)+(C) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Total Public shareholding (B)= (B)(1)+(B)(2)+(B)(3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public shareholder

| Category & Name of the shareholders (I) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. of shares underlying Outstanding convertible securities and No. of Warrants (Xi)(a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Class eg: X | Class eg: Y | Total | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| 1 Institutions (VC Funds) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| 2 Name of VC Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| 3 Alternate Investment Funds (Category I and II under SEBI (Alternate Investment Funds) Regulations, 2012 and SEBI (Venture Capital Funds) Regulations, 2012) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |
| Total Institutions (VC Funds) (3)=(1)+(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | | 0 |





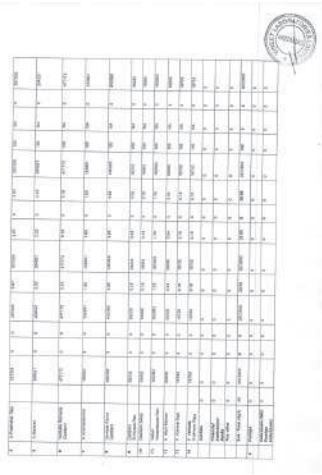
# POST - DEMERGER

**Format of holding of specified securities**

1. Name of Listed Entity: **M/s. Vineet Laboratories Limited**
2. Scrip Code/Name of Scrip/Class of Security: **Equity**
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : 31(1)(c)
   a. If under 31(1)(b) then indicate the report for Quarter ending: **NA**
   b. If under 31(1)(c) then indicate date of allotment/extinguishment:

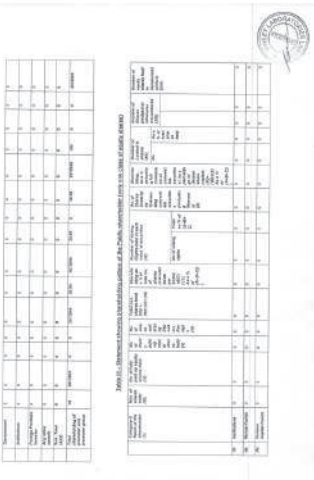
4. **Declaration**: The Listed entity is required to submit the following declaration to the extent of submission of information:-

| | Particulars | Yes* | No* |
|---|---|---|---|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | Yes |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |



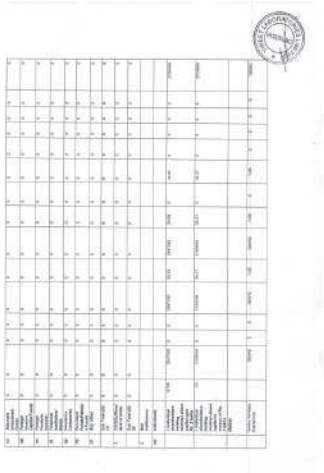






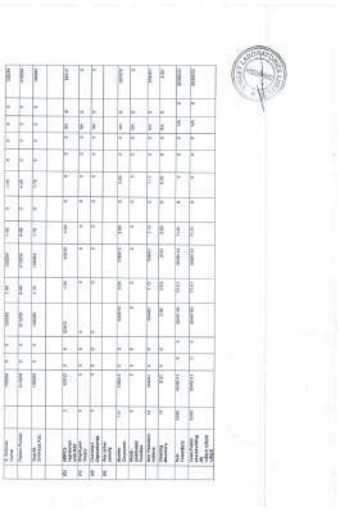






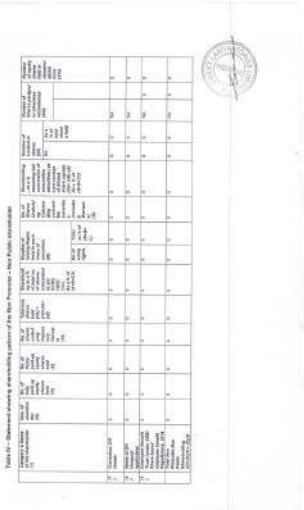
















**PROXY FORM**

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 26th 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 :

Affix Revenue Stamp

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. (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 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: 00540632) 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 ON26'''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 26"day of February, 2020, at 10:30a.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. Surdry 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 (43/4rt),
Opp: Barkatpura Park, Barkatpura
Hyderabad-500027, Telangana, India
Email:info@ortinlabsindia.com