



AN ISO 9001 & A WHO GMP CERTIFIED COMPANY



To,

Date: 31.08.2017

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

2. NSE Limited
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051

Dear Sir/Madam,

Sub: Outcome of board meeting held on 31.08.2017

Ref: Our Company's letter dated 18.08.2017

With reference to the subject cited, the Board in its meeting held on 31.08.2017 at the registered office of the Company has approved the following:

1. Demerger of Undertaking related to API Intermediates Division (Unit - II) of M/s Ortin Laboratories Limited into M/s Vineet Laboratories Limited by way of demerger procedure under sections 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, SEBI, Stock Exchanges etc.
2. Filing Demerger application with the Stock Exchanges.

Please find enclosed the disclosure as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you.

Yours sincerely,
For Ortin Laboratories Limited

S. Murali Krishna Murthy
Managing Director
DIN: 00540632



Encl: as above



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DISCLOSURE AS PER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

A) BRIEF DETAILS OF THE DIVISION(S) TO BE DEMERGED:

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, ChoutuppallMandal, 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 Regulated Division Business.

B) TURNOVER OF THE DEMERGED DIVISION AND AS PERCENTAGE TO THE TOTAL TURNOVER OF THE LISTED ENTITY IN THE IMMEDIATELY PRECEDING FINANCIAL YEAR / BASED ON FINANCIALS OF THE LAST FINANCIAL YEAR:

Rs. 54,59,34,698 constituting 88.24% of the total turnover for the financial year 2016-17.

C) RATIONALE FOR DEMERGER:

- (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, ChoutuppalMandal, 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 Regulated 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 Semi Regulated Division and the consequential advantages that would ensure are, inter alia, as follows:
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) This Scheme also provides for various other matters consequential or related thereto and otherwise integrally connected therewith.

D) BRIEF DETAILS OF CHANGE IN SHAREHOLDING PATTERN (IF ANY) OF ALL ENTITIES: NIL

E) IN CASE OF CASH CONSIDERATION – AMOUNT OR OTHERWISE SHARE EXCHANGE RATIO:

Share exchange ratio



For Example, a shareholder holding 100 equity shares of Rs. 10/- each in Ortin Laboratories Limited will be entitled to 48 equity shares of Rs. 10/- each in Ortin Laboratories Limited (demerged company) and 52 equity shares of Vineet Laboratories Limited (resulting company).

F) WHETHER LISTING WOULD BE SOUGHT FOR THE RESULTING ENTITY:

Yes, on both the Exchanges, BSE and NSE.

