

# ORTIN LABORATORIES LIMITED

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23<sup>rd</sup>  
ANNUAL REPORT  
2009-2010

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FLAT NO. 502, PALEM TOWERS,  
BARKATPURA,  
HYDERABAD – 500 027  
Andhra Pradesh, India  
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## **ORTIN LABORATORIES LIMITED**

<b>BOARD OF DIRECTORS</b>	<b>: Mr. S. MURALI KRISHNA MURTHY Mr. S. MOHAN KRISHNA MURTHY Mr. S. BALAJI VENKATESWARLU Mr. S. SRINIVASA KUMAR Mr. J. R. K. PANDU RANGA RAO Mr. M. TIPPAYYA Mr. D. HANUMANTHA RAO Mr. PRADYUMNA TEJA KAVOORY</b>
<b>WORKS</b>	<b>: PLOT NO. 275 &amp; 278, I.D.A PASHAMYLARAM, MEDAK DIST. (A.P)</b>
<b>BANKERS</b>	<b>: KARNATAKA BANK LTD., NAMPALLY, HYDERABAD.  I.C.I.C.I. BANK, HIMAYATH NAGAR, HYDERABAD.  SYNDICATE BANK, M.J.ROAD, NAMPALLY, HYDERABAD.  STATE BANK OF INDIA, BARKATPURA, HYDERABAD  CANARA BANK, NARAYANA GUDA, HYDERABAD</b>
<b>AUDITORS</b>	<b>: M/S.MATHESH &amp; RAMANA, CHARTERED ACCOUNTANTS, 3-6-145, HIMAYATH NAGAR, HYDERABAD – 500 029.</b>
<b>REGISTERED OFFICE</b>	<b>: FLAT NO. 502, PALEM TOWERS, BARKATPURA, HYDERABAD – 500 027 ANDHRA PRADESH</b>
<b>REGISTRARS AND SHARE TRANSFER AGENTS</b>	<b>: M/S SATHGURU MANAGEMENT CONSULTANTS PVT LTD., NO-15, HINDI NAGAR, PANJAGUTTA, HYDERABAD -34. PH.NO. 040-23350586, 23356975</b>

## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of ORTIN LABORATORIES LIMITED will be held on 30.09.2010 at 11.00 A. M., at the Registered Office of the Company situated at Flat no 502, Palem Towers, Barkatpura, Hyderabad- 500027 to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March 2010 and profit & loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare 8% dividend on equity shares.
3. To appoint a director in place of Mr. J. R. K. Panduranga Rao who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. D. Hanumantha Rao who retires by rotation and being eligible, offers himself for reappointment
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

“**RESOLVED THAT** Mr. Pradyumna Teja Kavoori who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act 1956 by the Board of Directors w.e.f 14.06.2010 and who holds the office up-to date of the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with a deposit of Rs.500/- proposing him as candidate for the office of Director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation”

**Notes:**

1. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of this Annual report
2. The register of members and share transfer books of the Company will remain closed from 25.09.2010 to 30.09.2010 (both days inclusive)
3. The dividend of 8% for the year ended 31<sup>st</sup> March 2010 as recommended by the Board, if sanctioned at the AGM will be payable to those members whose names appear on the Company's Register of Members on 24<sup>th</sup> September, 2010.
4. Members are requested to notify immediately any change in their address to the Company's Registered Office.
5. Members/Proxies are requested to bring duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.
6. Members holding shares in the physical form may write to the Company for any change in their addresses and bank mandates. Members holding shares in electronic form may write to their depository participants for immediate updation so as to enable the Company to dispatch dividend warrants to the correct address.

**By Order of the Board  
For ORTIN LABORATORIES LIMITED**

Sd/-

**S. Murali Krishna Murthy  
MANAGING DIRECTOR**

**Place: Hyderabad  
Date : 26-08-2010**

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 173(2) of the Companies Act, 1956)**

**Item No. 5:**

The members may note that Mr. Pradyumna Teja Kavoor, was inducted into Board as Additional Director of the company, under Independent Director Category with effect from 14.06.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received a notice in writing from a member of the company along with a deposit of Rs.500/- under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Directors whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. Pradyumna Teja Kavoor may be deemed to be concerned or interested in the resolution.

**For and on behalf of the Board of**  
**M/s. ORTIN LABORATORIES LIMITED**

**Sd/-**

**S. Murali Krishna Murthy**  
**MANAGING DIRECTOR**

**Place: Hyderabad**  
**Date : 26-08-2010**

## **DIRECTORS' REPORT**

To  
The Members of  
ORTIN LABORATORIES LIMITED

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with audited accounts of the Company for the year ended on March 31, 2010.

### **FINANCIAL RESULTS:**

	<b>Rupees in lakhs</b>	
	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>
Income	2,981.76	<b>3141.34</b>
Gross Expenditure	2,831.63	<b>2984.31</b>
Gross Profit before interest and depreciation	150.13	<b>157.03</b>
Interest	37.44	<b>7.59</b>
Depreciation	19.36	<b>19.46</b>
Profit before Taxation	93.33	<b>129.97</b>
Provision for Taxation	36.08	<b>54.19</b>
Profit after Tax	57.24	<b>75.78</b>
Dividend	29.36	<b>37.60</b>
Dividend Tax	4.99	<b>6.39</b>
E.P.S (in Rs.)	1.70	<b>2.24</b>

### **OPERATIONS:**

During the year the company has made a turnover of Rs. 3141.34 lacs including other income of Rs. 7.32 lacs and a net profit of Rs. 75.78 lacs against the turnover of Rs. 2,981.76 lacs including other income of Rs. 12.02 lacs and net profit of Rs. 57.24 lacs in the previous year.

### **DIVIDEND:**

Your Directors recommended a dividend of 8% on the equity shares of Rs.10 each for the year ending 31.03.2010.

### **PUBLIC DEPOSITS:**

The Company has not accepted any deposits falling with the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### **PAID UP CAPITAL OF THE COMPANY:**

The paid up capital of the company stands at Rs. 3,67,04,000 divided in to 36,70,400 equity shares of Rs.10/- each as on 31<sup>st</sup> March, 2010..

During the year 2010-11 the company has allotted 15,00,000 warrants to the Promoters & others at an issue price of Rs.18/- each. Of which, 10,30,000 warrants are converted into 10,30,000 equity shares of Rs.10/- each with a premium of Rs.8/- per share. The proceeds of the issue have been utilized for the purpose mentioned in the notice of the General Body Meeting through which the company has obtained the consent of the shareholders.

### **PROPOSED TO MERGE M/S. VINEET LABORATORIES PRIVATE LIMITED WITH THE COMPANY:**

The Board in its meeting held on 21.07.2010 decided to acquire M/s. Vineet Laboratories Private Limited by way of merger / amalgamation. M/s. M.M. Reddy & Co. was appointed to conduct valuation of companies and make out a valuation report in order to finalise swap ratio.

**M/s. Vineet Laboratories Private Limited** is an unlisted company, located in the State of Andhra Pradesh and is engaged in the business of **Manufacturing of Fine Chemicals, Custom Synthesis and Specialized in making Bulk Drug Intermediates like Anti Retro Virals and Lipid Lowering Agents etc.** It has recorded a turnover of Rs. 37 crores with a net profit of Rs. 3.69 crores for the financial year 2008-09 and a turnover of Rs. 48 crores with a net profit of Rs. 4.10 crores for the financial year 2009-10.

### **DIRECTORS:**

Mr. J. R. K. Panduranga Rao and Mr. D. Hanumantha Rao, Directors are liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for reappointment.

Your Board recommends for the re-appointment of above said Directors in the best interests of the company.

Mr. Goturi Sreenivasulu Guptha, Director of the company has resigned from the Board during the year. The Board placed on records its sincere appreciation for the valuable services rendered by him during his tenure as director on the Board of the company.

Mr. Pradyumna Teja Kavoori was appointed as additional director on the board of the company w.e.f. 14.06.2010.

Mr. K. V. Ramana Murthy, independent Director and a member on the Audit Committee expired on 17<sup>th</sup> July,2009. The Board has placed on records its deep condolences on his sudden demise and also placed its sincere appreciation for the valuable services rendered by him during his tenure as director on the Board of the company.

### **CODE OF CONDUCT:**

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in **Annexure**.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual accounts on a going concern basis.

### **REPORT ON CORPORATE GOVERNANCE:**

A note on corporate governance is enclosed.

### **AUDITORS:**

M/s. Mathesh & Ramana., Chartered Accountants, Hyderabad, will retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible have expressed their willingness to be reappointed as statutory auditors of the company to hold office until the conclusion of the next Annual General Meeting of the company.

### **FIXED DEPOSITS**

Your company has not accepted any deposits from the public during the year under review.

### **INDUSTRIAL RELATIONS**

Industrial relations during the year under review continued to be cordial.

### **PARTICULARS OF EMPLOYEES:**

There are no employees covered by the company (disclosure of particular in the report of directors) rules 1988 and particulars of employees under section 217(1) (a) of the Companies Act 1956.

### **CONSERVATION OF ENERGY:**

The information required under section 217(1)(a) of the companies Act 1956, with the companies(disclosure of particular in the report of directors) rules 1988 with respective matters is also appended here to and forms part of the report.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**For and on behalf of the Board of  
M/s.ORTIN LABORATORIES LIMITED**

**Sd/-**

**S. Murali Krishna Murthy  
MANAGING DIRECTOR**

**Place: Hyderabad  
Date : 26-08-2010**

**DECLARATION by Managing Director of affirmation by directors and senior Management personnel of compliance with the code of conduct.**

**To**

**The Shareholders,**

I, S. Murali Krishna Murthy, Managing Director of the company do hereby declare that the directors and senior management of the company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**For and on behalf of the Board of  
M/s. ORTIN LABORATORIES LIMITED**

**Sd/-**

**S. Murali Krishna Murthy  
MANAGING DIRECTOR**

**Place: Hyderabad  
Date : 26-08-2010**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

### **Market Scenario:**

Currently, emerging pharmaceutical markets are typically small. However, their rapid growth vis-à-vis the more regulated markets make them attractive prospects for the pharmaceutical industry. Rapidly growing economies, increasing population and greater health awareness combined with larger incomes to spend on healthcare will drive the growth of pharmaceuticals in emerging markets. By 2017, IMS forecasts revenues from emerging markets at US\$ 290 billion to US\$ 320 billion, with a CAGR of 12% to 15%.

### **Financial performance and operational performance:**

During the year the company has made a turnover of Rs. 3141.34 lacs including other income of Rs. 7.32 lakhs and a net profit of Rs. 75.78 lacs against the turnover of Rs. 2,981.76 lakhs including other income of Rs. 12.02 lakhs and net profit of Rs. 57.24 lakhs in the previous year.

During the year the company has acquired the certification for the registration with National Drug Authority, Uganda wherein the company has got the eligibility to export their products to Uganda. It has also taken up the process to get the company registered with Drugs Authorities of Tanzania and Kenya. It has also made the necessary changes in the manufacturing facility to upgrade the unit as per the WHO GMP standards which will give the opportunity to export to developing countries also which will boost the performance of the company in future.

The company has also decided to acquire M/s Vineet Laboratories Private Limited by way of merger/amalgamation which is located in Andhra Pradesh and engaged in the manufacturing of fine chemicals, Custom Synthesis and specialised in making bulk drug intermediates for anti retrovirals and lipid lowering agents etc., which will boost the performance of the company in terms of turnovers and income.

The company is also proposing to start bulk drug manufacturing facility and planning to acquire the Industrial Land in Andhra Pradesh.

### **Outlook**

We continue to rely upon our strengths viz., wide portfolio of specialty prescription products and strong product promotion skills to execute our international plans while we slowly gain expertise on handling tender/government business in each of the countries we are present in. Going forward, we will strongly focus on African countries. By rapidly expanding our product offering and building a sizeable sales force, we intend to significantly improve our prescription/ market share.

### **Internal control systems:**

Effective governance consists of competitive management, implementation of standard policies and processes, maintenance of an appropriate audit program and internal control environment and effective risk monitoring and management information systems.

The company has audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

The Company maintains a system of internal controls designed to provide reasonable assurance regarding the achievement of objectives in following categories:

- Effectiveness and efficiency of operations;
- Adequacy of safeguards for assets;
- Reliability of financial controls, and
- Compliance with applicable laws and regulations

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees, and an organization structure that segregates responsibilities.

#### **Human Resources:**

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

**ANNEXURES TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2010**

**ANNEXURE –I**

Information under section 217(1) (e) of the companies Act, 1956 read with companies (disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the directors report.

**A. CONVERSION OF ENERGY:**

- |    |  |       |
|----|--|-------|
| a) | Energy Conversion Measures taken<br>Capacitors were installed as per norms   | : YES |
| b) | Additional investment and proposals, if any<br>being implemented for reduction of consumption of energy  | : NIL |
| c) | Impact of the measures at (a) (b) above for deduction<br>Calibration of machines at regular intervals as a result<br>The power consumption was regularized | : YES |
| d) | Total energy consumption and energy<br>Consumption per unit of production  | : NIL |

**B. TECHNOLOGY ABSORPTION:**

- |    |  |       |
|----|--|-------|
| e) | Efforts made in technology absorption as per Form –B | : NIL |
|----|--|-------|

**C.FOREIGN EXCHANGE EARNINGS &OUT GO:**

- |    |  |  |
|----|--|--|
| f) | Activities relating to exports, initiatives taken to increase<br>Exports, development of new markets for products and<br>Services and export plans | : Explained in Management<br>Discussion and<br>Analysis Report |
| g) | Total Foreign Exchange used  | : Rs. 17,43,292  |

**For and on behalf of the Board of  
M/s.ORTIN LABORATORIES LIMITED**

Sd/-

**S. Murali Krishna Murthy  
MANAGING DIRECTOR**

**Place: Hyderabad  
Date : 26-08-2010**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY:

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

### 2. BOARD OF DIRECTORS AND DETAILS OF MEETINGS:

During the Financial Year 2009-2010 the Board of Directors met 5 times on the following dates:

30.04.2009, 31.07.2009, 28.08.2009, 30.10.2009 and 30.01.2010.

The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was under:

Name of the Director	Category	No of Board Meetings attended	Attendance at the last AGM	No. of out side directorships held
S. Murali Krishna Murthy	Managing Director	5	YES	NIL
S. Mohan Krishna Murthy	Executive Director	5	YES	NIL
S. Srivinas Kumar	Executive Director	5	YES	NIL
S. Balaji Venkateswarlu	Executive Director	5	YES	NIL
*K. V. Ramana Murthy	Independent Non-Exe. Director	1	NO	NIL
J.R.K. Panduranga Rao	Independent Non-Exe. Director	4	YES	NIL
M. Tippayya	Independent Non-Exe. Director	5	NO	NIL
D. Hanumantha Rao	Independent Non-Exe. Director	4	YES	NIL
**G. Srinivasulu Gupta	Independent Non executive Director	3	NO	NIL
*** Pradyumna Teja Kavoor	Independent Non executive Director	NIL	NA	NIL

\*Expired on 17.07.2009

\*\*Resigned on 30.07.2010

\*\*\* Appointed on 14.06.2010

### **3. REMUNERATION TO DIRECTORS:**

The details of remuneration paid /payable to all the directors for the year 2009-2010 are:

- i) Non Executive Directors (sitting fees only) Rs.1000 /- each per the Board Meeting
- ii) Managing/Whole time director (No sitting fee)

	Salary (Rs.)
Sri S. Murali Krishna Murthy	7,20,000
Sri S. Mohan Krishna Murthy	7,20,000
Sri S. Balaji Venkateswarlu	7,20,000
Sri S. Srivinas Kumar	7,20,000
	-----
Total	28,80,000
	=====

### **4. AUDIT COMMITTEE:**

Terms of Reference of Audit Committee of the Board of Directors are as under:

- 1) Review of the Company's financial reporting process, and its financial statements.
- 2) Review of accounting and financial policies and practices.
- 3) Review of the internal control and internal audit system.
- 4) Review if risk management and policies and practices.

#### **Composition, name of Members and Chairman:**

1. \*Mr. G. Sreenivasulu Guptha
2. Mr. J. R. K. Panduranga Rao
3. Mr. S. Srinivas Kumar
4. \*\*Mr. Pradyumna Teja Kavoor

\* Resigned on 30.07.2010

\*\*Appointed on 14.06.2010

And Statutory Auditors are invitees to the meeting. The total number of meetings held during the year are 4 as mentioned 30.04.2009, 31.07.2009, 30.10.2009 and 30.01.2010.

## **5. REMUNERATION AND COMPENSATION COMMITTEE**

The committee was constituted with the following Directors for determining the remuneration packages of Executive / Non-Executive Directors apart from monitoring implementation of ESOP schemes. The committee met once during the year on 30.10.2009.

1. \* Mr. Pradyumna Teja Kavooru
2. Mr. J. R. K. Panduranga Rao
- 3.\*\* Mr. G. Sreenivasulu Guptha
4. Mr. D. Hanumantha Rao

\*\*Resigned on 30.07.2010

\*Appointed on 14.06.2010

## **6. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

Shareholders/Investors Grievance Committee was formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

The Shareholders/Investors Grievance Committee was constituted with the following persons:

1. Mr. S. Mohan Krishna Murthy
2. Mr. S.Murali Krishna Murthy
3. \* Mr. Pradyumna Teja Kavooru
4. \*\*Mr. G. Sreenivasulu Guptha

\*\*Resigned on 30.07.2010

\*Appointed on 14.06.2010

Mr. S. Murali Krishna Murthy is the compliance officer of the company. The committee looks into the matters relating to the shareholder's complaints, grievances, various requests in the nature of transfer, transmission, etc., and also overseeing the performance of the Registrar & Transfer agents to improve the quality of investor services.

## **7. Disclosures:**

The company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other statutory bodies regulating the capital markets. No stretchers or penalties were imposed on the company. Other transactions are adequately disclosed in the notes to Annual Accounts.

**i) Disclosure on Materially significant related party transactions:**

The company does not have any related party transactions except as disclosed in notes on accounts, which may have potential conflict with the interest of the company. The register of contracts containing transactions in which Directors are interested is placed before the board.

**ii) Case of Non- Compliances / penalties**

There has been no instance of non-compliance by the Company related to capital markets. Hence, the questions of imposition of penalties or strictures by SEBI or the Stock Exchanges are not applicable.

**iii) Risk Management**

The company has been addressing various risks impacting the company.

**iv) Whistle Blower Policy**

The company has framed suitable policies and systems for the Whistle Blower Policy.

**v) Compliance with mandatory requirements and adoption of non mandatory requirements of Clause 49**

Certifications from M/s MATHESH & RAMANA, Auditors of the company confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, are annexed.

The company has constituted Remuneration committee. A detailed note on compensation/ remuneration is provided elsewhere in the report.

**8. Information on General Body Meetings:**

The last 3 Annual General Meetings were held as under:

AGM for the financial year ended	Location of holding AGM	Date and Time of AGM
2008-2009	At the Registered office	30 <sup>th</sup> day of September, 2009 at 11.30 A.M.
2007-2008	At the Registered office	30 <sup>th</sup> day of September,2008 at 11-00A.M
2006-2007	At the Registered office	29 <sup>th</sup> day of September,2007 at 11-00A.M

**9. Postal Ballot**

During the year, the company has passed Special Resolutions by postal ballot, in which change of object clauses were passed with requisite majority.

## 10. Means of Communication:

Quarterly, half-yearly and annual results of the company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in English and Telugu newspapers. The Management Discussion and Analysis (MD & A) is a part of the annual report.

## 11. General Shareholder Information:

- i) Annual General Meeting  
Date : 30<sup>th</sup> September, 2010  
Time : 11.00 A. M  
Venue : Flat no.502, Palem Towers, Barkatpura, Hyderabad – 500 027,  
Andhra Pradesh, India

### ii) Financial Calendar:

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March 2011:

Financial Reporting for 2010-11 (tentative):

The First Quarter Results –	On / before 31.07.2010
The Second Quarter Results –	On / before 31.10.2010
The Third Quarter Results –	On / before 31.01.2011
The Last Quarter Results –	On / before 30.04.2011

- iii) **Book Closure** : 25<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).

- iv) **Dividend payment** : on or before 30.10.2010

### v) Listing on Stock Exchanges:

Shares of the Company are listed on the following Stock Exchanges.

S. No	Name of the Stock Exchange	Address
1.	Madras Stock Exchange Limited	Madras
2.	Bombay Stock Exchange Limited	Bombay

The Company has paid Annual Listing Fees for the year 2010-2011.

**Vi) Demat ISIN no FOR CDSL and NSDL: INE 749B01012**

**Vii) Trading of company's Share on Stock Exchange, Bombay :**

Month	High (Rs.)	Low (Rs.)
April, 2009	12.80	10.72
May, 2009	13.99	10.12
June, 2009	15.50	12.31
July, 2009	15.20	10.55
August, 2009	13.20	11.41
September, 2009	24.33	12.77
October, 2009	20.50	15.30
November, 2009	20.50	16.35
December, 2009	22.90	17.35
January, 2010	21.00	16.60
February, 2010	18.90	13.55
March, 2010	18.20	12.92

**Viii) PATTERN OF SHAREHOLDING AS ON 31.03.2010 (PHYSICAL&DEPOSITORY)**

Description	No. Of Shareholders	No. of shares	%
<b>A. Promoters</b>			
Individuals	17	1593694	43.42
<b>B. Non-Promoters</b>			
Indian Public	899	952171	25.94
FIIS/ NRIs/OCB	6	491799	13.40
Financial Institutions and Banks	-----	-----	----
Mutual Funds	-----	-----	-----
Bodies corporate	49	632736	17.24
<b>TOTAL</b>	<b>971</b>	<b>3670400</b>	<b>100.00</b>

**ix) Dematerialization of shares:**

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited.

**x) Registrars and Transfer Agents:**

M/s Sathguru Management Consultants Pvt Ltd,  
No.15, Hindi Nagar, Panjagutta,  
Hyderabad - 500 034.  
Andhra Pradesh, India  
Ph. No. 040-23350586, 23356975

**xi) Share Transfer system:**

The Share Transfer Committee approves transfer of shares in physical mode. The Company's RTA transfers the shares within 30 days of receipt of request. Dematerialization is done within 20 days of receipt of request along with the shares through the Depository participant of the shareholders.

**xii) Delegation of Share Transfer Formalities:**

The Board has delegated share transfer formalities to the Registrars and Transfer Agents:

M/s Sathguru Management Consultants Pvt. Ltd.,  
No.15, Hindi Nagar, Panjagutta,  
Hyderabad - 500 034,  
Andhra Pradesh, India  
Ph. No. 040-23350586, 23356975

All communications regarding Share Transfers, Transmissions Change in Address and any other correspondence etc., may be addressed to the Registrars & Transfer Agents.

Share transfers are registered with in a period of 30days from the date of receipt, if the documents are in order in all respects.

**xiii) Address for Correspondence:**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

Flat No. 502,  
Palem Towers,  
Barkatpura,  
Hyderabad – 500 027  
Andhra Pradesh, India

**xiv) Dividend declared in earlier years:**

The company has paid dividend of 8% on equity capital for the financial year 2008-09 as against proposed dividend of 8% during the financial year 2009-2010.

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The company has obtained a certificate from the Auditors of the Company regarding compliances of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. The said Corporate Governance is as under:

### **AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of Ortin Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Ortin Laboratories Limited, ('the Company'), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For MATHESH & RAMANA  
CHARTERED ACCOUNTANTS

Place: Hyderabad  
Date : 26-08-2010

Sd/-  
B. V. RAMANA REDDY  
PARTNER  
Membership No.026967

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow statement of **ORTIN LABORATORIES LIMITED**, Hyderabad for the period ended 31<sup>st</sup> March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by report of 26<sup>th</sup> August, 2010 to the members of the Company.

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY  
PARTNER  
M. No. 026967  
Firm Reg. No. 002020S

PLACE: HYDERABAD.  
DATE : 26/08/2010.

## **AUDITORS' REPORT**

### **To the members of ORTIN LABORATORIES LIMITED**

1. We have audited the attached Balance Sheet of **ORTIN LABORATORIES LIMITED**, as at 31<sup>st</sup> March, 2010 the Profit and Loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) order, 2003, as amended by Companies (Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order, to extent applicable to the Company.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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
  - (iii) The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account
  - (iv) In our opinion, the Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956, except the accounting standard 15 on accounting for retirement benefits in the financial statements of the employers and the impact of non compliance with the standard could not be quantify due to non availability of relevant information.

- (v) On the basis of written representations received from the Directors, as on 26<sup>th</sup> August, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of Balance sheet, of the state of affairs of the company, as at 31<sup>st</sup> March, 2010.
- (b) in the case of the Profit and Loss account, of the profit, for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows, for the year ended on that date.

**For MATHESH & RAMANA  
CHARTERED ACCOUNTANTS**

PLACE: HYDERABAD.

DATED: 26/08/2010

**B. V. RAMANA REDDY  
PARTNER  
MEMBERSHIP No. 26967  
Firm Reg. No. 002020S**

## ANNEXURE

**Re:** ORTIN LABORATORIES LIMITED

Referred to in Paragraph 3 of our Report of even date.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of the plant and machinery.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not taken loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has granted loan during the previous year to one company covered in the register maintained under section 301 of the Companies Act, 1956 and an amount of Rs. 1,11,000/- is outstanding as on 31<sup>st</sup> March, 2010.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken/granted from the parties listed in the register maintained under section 301 of the Companies Act are not, *prima facie*, prejudicial to the interest of the company.
- (d) The company is regular in repaying/recovering the principal amounts as stipulated and has been regular in the payment/receiving of interest.
- (e) There was no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, ESI, income tax, sales tax, excise duty and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax and excise duty were in arrears, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.  
(c) According to the information and explanation given to us, there are no dues of sales tax, income tax and excise duty which have not been deposited on account of any dispute.
- (x) In our opinion, the company did not have the accumulated loss as on 31<sup>st</sup> March, 2010. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks.

- (xii) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence no need to maintain the said records.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not raised any fresh share capital by way of public issue or by any other mode during the financial year. Hence, the question of preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures in the history of the company. Hence the creation of securities does not arise.
- (xx) During the year the company has not raised money by way of public issues, hence the verification of end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **MATHESH & RAMANA**  
**CHARTERED ACCOUNTANTS**

PLACE: HYDERABAD.  
DATED: 26/08/2010

B.V. RAMANA REDDY  
PARTNER  
MEMBERSHIP No. 026967  
Firm Reg. No. 002020S

# ORTIN LABORATORIES LIMITED

## BALANCE SHEET AS ON 31st MARCH, 2010.

PARTICULARS	SCHEDULE REFERENCE	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
<b>SOURCE OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	A	36,704,000	36,704,000
<b>RESERVES &amp; SURPLUS:</b>			
Reserves	B	15,110,000	15,110,000
Profit & Loss Account		17,556,367	13,738,315
<b>LOAN FUNDS:</b>			
Secured Loans	C	31,951,073	57,395,657
Unsecured Loans		1,115,966	1,115,966
<b>DEFERRED TAX LIABILITY</b>			
	D	3,291,390	2,930,097
<b>TOTAL</b>		<b>105,728,795</b>	<b>126,994,035</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS:</b>			
Gross Block	E	53,110,375	44,322,726
Accumulated Depreciation		14,888,854	13,377,149
Net Block		38,221,521	30,945,577
<b>INVESTMENTS</b>			
	F	17,171	26,343
<b>NET CURRENT ASSETS:</b>			
Current Assets	G	104,995,560	115,066,502
Current Liabilities	H	39,421,394	21,918,324
Net Current Assets		65,574,166	93,148,178
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not written off or adjusted)	I	1,915,937	2,873,937
<b>TOTAL</b>		<b>105,728,795</b>	<b>126,994,035</b>
<b>NOTES ON ACCOUNTS</b>			
	O	-	-

Schedule A to I and O form an integral part of the Balance Sheet.

As per our report of even date annexed.

For and on behalf of the Board.

**For Mathesh & Ramana**  
**Chartered Accountants**

**For Ortin Laboratories Limited**

**B. V. RAMANA REDDY**  
**Partner**  
**M. No. 026967**  
**Firm Reg. No. 002020S**

**S. Murali Krishna Murthy**  
**Managing Director**

**Place: Hyderabad**  
**Date: 26/08/2010**

**S. Mohan Krishna Murthy**  
**Director**

**ORTIN LABORATORIES LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010.**

PARTICULARS	SCHEDULE REFERENCE	As at	As at
		31-03-2010 Rupees	31-03-2009 Rupees
<b>A INCOME:</b>			
Net sales	J	314,007,284	297,492,108
Less: Excise Duty		605,855	517,482
		<b>313,401,429</b>	296,974,626
Other income	K	732,659	1,201,751
		<b>314,134,088</b>	298,176,377
<b>B EXPENDITURE:</b>			
Material consumption	L	265,775,309	253,180,290
Manufacturing expenses.	M	1,810,463	2,042,180
Administrative, selling and Finance Expenses	N	30,646,574	30,726,113
Depreciation	E	1,946,349	1,936,148
Misc. Expenses written off	I	958,000	958,000
		<b>301,136,695</b>	288,842,731
<b>Profit for the year before tax</b>		<b>12,997,393</b>	9,333,646
Less: Tax expense:			
Current tax		4,418,662	2,811,508
Fringe Benefit Tax		-	185,116
Dividend tax		639,066	499,028
Deferred Tax		361,293	113,245
<b>Profit after tax for the year</b>		<b>7,578,372</b>	5,724,749
Less: Proposed dividend		3,760,320	2,936,320
<b>Net Profit c/d to Balance Sheet</b>		<b>3,818,052</b>	2,788,429
<b>Notes on Accounts</b>	O		
<b>Earnings per Share-Basic&amp; Diluted</b>		<b>2.24</b>	1.70

Schedule I to O and E form an integral part of the Profit &amp; Loss Account.

As per our report of even date annexed.

For and on behalf of the Board.

**For Mathesh & Ramana**  
**Chartered Accountants****For Ortin Laboratories Limited****B. V. RAMANA REDDY**  
**Partner**  
**M. No. 026967**  
**Firm Reg. No. 002020S****S. Murali Krishna Murthy**  
**Managing Director****Place: Hyderabad**  
**Date: 26/08/2010****S. Mohan Krishna Murthy**  
**Director**

<b>ORTIN LABORATORIES LIMITED</b>			
<b>SCHEDULE FORMING PART OF ACCOUNTS</b>			
PARTICULARS		<b>As at 31-03-2010 Rupees</b>	<b>As at 31-03-2009 Rupees</b>
<b>SCHEDULE - A:</b>			
<b>SHAREHOLDERS FUNDS:</b>			
<b>AUTHORISED CAPITAL:</b>			
85,00,000 equity shares of Rs. 10/- each.		<b>85,000,000</b>	85,000,000
<b>ISSUED:</b>			
54,58,000 equity shares of Rs. 10/- each.		<b>54,580,000</b>	54,580,000
<b>SUBSCRIBED &amp; PAID UP:</b>			
36,70,400 equity shares of Rs. 10/- each.		<b>36,704,000</b>	36,704,000
<b>TOTAL</b>		<b>36,704,000</b>	36,704,000
<b>SCHEDULE - B:</b>			
<b>RESERVES &amp; SURPLUS:</b>			
Share premium.		<b>8,650,000</b>	8,650,000
Capital reserve.		<b>2,122,500</b>	2,122,500
Share forfeiture reserve.		<b>4,337,500</b>	4,337,500
		<b>15,110,000</b>	15,110,000
<b>PROFIT AND LOSS ACCOUNT:</b>			
Opening balance.		<b>13,738,315</b>	10,949,886
Add: Profit for the year.		<b>3,818,052</b>	2,788,429
<b>TOTAL</b>		<b>17,556,367</b>	13,738,315
<b>SCHEDULE - C:</b>			
<b>SECURED LOANS:</b>			
<b>Term Loan (PITL 1401)</b>		<b>879,286</b>	1,569,153
<b>Term Loan (PITL 1020)</b>		<b>1,359</b>	1,701,791
(Term loans from Karnataka Bank Ltd., secured by hypothication of Plant & Machinery and other Fixed Assets and second charge on Current Assets, further secured by personal guarantee of the directors)			
<b>Cash Credit</b>		<b>29,959,849</b>	53,427,484
(Cash credit from Karnataka Bank Ltd., is secured by present and future raw materials, semi-finished goods, finished goods, stores and secured second charge on fixed assets further secured personal guarantee of Directgors)			
<b>Vehicle loan: Swaraj Mazda</b>		<b>91,100</b>	251,587
<b>Vehicle loan: Santro</b>		<b>129,648</b>	445,642
<b>Vehicle loan-Innova - 4245</b>		<b>889,831</b>	-
<b>TOTAL</b>		<b>31,951,073</b>	57,395,657
<b>UNSECURED LOANS:</b>			
Interest free Sales Tax Loan from Government of Andhra Pradesh		<b>1,115,966</b>	1,115,966
<b>TOTAL</b>		<b>1,115,966</b>	1,115,966
<b>SCHEDULE - D:</b>			
<b>DEFERRED TAX LIABILITY</b>			
Opening Balance		<b>2,930,097</b>	2,816,852
Add: For the year		<b>361,293</b>	113,245
		<b>3,291,390</b>	2,930,097

# ORTIN LABORATORIES LIMITED

## SCHEDULE FORMING PART OF ACCOUNTS

### SCHEDULE - E: FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on	Additions	Deletions	Cost as on	Upto	For the	Deletions	Upto	As on	As on
		01/04/2009			31-03-2010	01/04/2009	Year		31-03-2010	31-03-2010	31-03-2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Land.	4,131,615	-	-	4,131,615	-	-	-	-	4,131,615	4,131,615
2	Factory building.	14,011,595	-	-	14,011,595	2,812,241	467,987	-	3,280,228	10,731,367	11,199,354
3	Administrative building.	828,135	-	-	828,135	175,251	13,499	-	188,750	639,385	652,884
4	Plant & machinery	12,526,157	379,026	-	12,905,183	5,121,346	605,883	-	5,727,229	7,177,954	7,404,811
5	Testing equipment.	782,607	-	-	782,607	256,724	37,174	-	293,898	488,709	525,883
6	Furniture & fixtures.	1,982,271	28,886	-	2,011,157	1,145,942	126,409	-	1,272,351	738,806	836,329
7	Electrical fittings	1,402,468	-	-	1,402,468	572,456	66,617	-	639,073	763,395	830,012
8	Vehicles.	3,797,329	2,186,137	952,008	5,031,458	1,442,958	306,784	434,645	1,315,097	3,716,361	2,354,371
9	Other assets.	2,001,993	43,251	-	2,045,244	480,185	95,849	-	576,034	1,469,210	1,521,808
10	Computer.	1,079,650	30,300	-	1,109,950	941,275	141,650	-	1,082,925	27,025	138,375
11	Modixerox.	177,320	-	-	177,320	15,566	8,423	-	23,989	153,331	161,754
12	Generator Set	311,800	-	-	311,800	205,485	14,811	-	220,296	91,505	106,315
13	Air conditioner.	1,289,786	-	-	1,289,786	207,721	61,265	-	268,986	1,020,800	1,082,065
14	Capital Work in Progress	-	7,072,057	-	7,072,057	-	-	-	-	7,072,057	-
	<b>TOTAL</b>	<b>44,322,726</b>	<b>9,739,657</b>	<b>952,008</b>	<b>53,110,375</b>	<b>13,377,150</b>	<b>1,946,349</b>	<b>434,645</b>	<b>14,888,854</b>	<b>38,221,521</b>	<b>30,945,576</b>
	PREVIOUS YEAR	41,307,804	3,966,618	951,696	44,322,726	11,757,365	1,936,148	316,364	13,377,149	30,945,577	29,550,439

**ORTIN LABORATORIES LIMITED****SCHEDULE FORMING PART OF ACCOUNTS**

PARTICULARS	As at	As at
	31-03-2010	31-03-2009
	Rupees	Rupees
<b>SCHEDULE - F:</b>		
<b>INVESTMENTS:</b>		
Welcure Drugs 300 eqity shares of Rs. 10/-	3,000	3,000
Karnataka Bank Ltd 500 equity shares	9,171	18,343
Manikanta Bank, 100 equity shares of Rs. 50/- each	5,000	5,000
<b>TOTAL</b>	<b>17,171</b>	<b>26,343</b>
<b>SCHEDULE - G:</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>		
<b>CURRENT ASSETS:</b>		
Closing Stock: Raw material.	4,031,989	4,253,082
Finished goods.	6,626,638	3,481,018
Sundry Debtors more than 6 months	4,751,340	16,547,310
Sundry Debtors less than 6 months	57,967,350	43,968,443
(Unsecured considered good for which the company holds no security other than debtors personal security)		
Cash on hand.	745,727	293,378
Cash at banks.	21,440,544	37,139,171
<b>LOANS, ADVANCES &amp; DEPOSITS:</b>		
Modavat & excise duty	8,465	10,827
Deposits	1,689,372	1,970,845
Advances & Deposits	620,319	718,819
Advance tax.	2,800,000	2,700,000
T.D.S.	253,800	49,860
Sales tax advances.	3,100	3,100
Other Deposits	103,110	139,560
Prepaid insurance	37,964	47,131
Advance for Land	3,500,000	3,500,000
Interest receivable.	61,496	117,838
Advance Tax FBT	25,000	126,120
Advance tax for CST 2005-06	175,067	-
Advance tax for CST 2006-07	28,000	-
Prepaid Internet Charges	1,867	-
Prepaid AMC	38,768	-
Prepaid Subscription & Membership Fees	6,894	-
Advance for Expenses	78,750	-
<b>TOTAL</b>	<b>104,995,560</b>	<b>115,066,502</b>

<b>ORTIN LABORATORIES LIMITED</b>			
<b>SCHEDULE FORMING PART OF ACCOUNTS</b>			
PARTICULARS	<b>As at 31-03-2010 Rupees</b>	<b>As at 31-03-2009 Rupees</b>	
<b>SCHEDULE - H:</b>			
<b><i>CURRENT LIABILITIES &amp; PROVISIONS:</i></b>			
<b>Current Liabilities:</b>			
Proposed Dividend	<b>3,760,320</b>	2,936,320	
Creditors for supplies.	<b>27,844,673</b>	13,252,735	
Dealers Deposit	<b>230,874</b>	222,000	
<b>Provisions:</b>			
Provision for income tax.	<b>4,418,662</b>	2,811,508	
Fringe Benefit Tax	-	185,116	
Dividend tax	<b>639,066</b>	499,028	
Out standing expenses.	<b>2,527,798</b>	2,011,617	
<b>TOTAL</b>	<b>39,421,394</b>	21,918,324	
<b>SCHEDULE - I:</b>			
<b><i>MISCELLANEOUS EXPENDITURE:</i></b>			
Public issue expenses.	<b>2,873,937</b>	3,831,937	
Less: Written off	<b>958,000</b>	958,000	
<b>TOTAL</b>	<b>1,915,937</b>	2,873,937	
<b>SCHEDULE - J:</b>			
<b><i>NET SALES:</i></b>			
Sales	<b>315,629,626</b>	299,411,791	
Less: Returns.	<b>1,622,342</b>	1,919,683	
<b>TOTAL</b>	<b>314,007,284</b>	297,492,108	
<b>SCHEDULE - K:</b>			
<b><i>MISCELLANEOUS INCOME:</i></b>			
Interest.	<b>100,484</b>	214,112	
Dividends.	<b>6,000</b>	5,000	
Miscellaneous income.	<b>546,468</b>	982,639	
Long Term Capital Gain on Shares	<b>58,003</b>	-	
Insurance Claim Received	<b>16,320</b>	-	
Income Tax	<b>5,384</b>	-	
<b>TOTAL</b>	<b>732,659</b>	1,201,751	
<b>SCHEDULE - L:</b>			
<b><i>MATERIALS CONSUMPTION:</i></b>			
Opening stock.	<b>4,253,082</b>	2,154,185	
Add: Purchases.	<b>268,900,582</b>	257,406,760	
Less: Returns.	<b>200,746</b>	201,470	
	<b>272,952,918</b>	259,359,475	
Less: Closing stock.	<b>4,031,989</b>	4,253,082	
	<b>268,920,929</b>	255,106,393	
Add: Opening stock of Finished Goods	<b>3,481,018</b>	1,554,915	
Less: Closing stock.of Finished Goods	<b>6,626,638</b>	3,481,018	
<b>Consumption for the year</b>	<b>265,775,309</b>	253,180,290	

# ORTIN LABORATORIES LIMITED

## SCHEDULE FORMING PART OF ACCOUNTS

PARTICULARS	As at	As at	
	31-03-2010	31-03-2009	
	Rupees	Rupees	
<b>SCHEDULE - M:</b>			
<b>MANUFACTURING EXPENSES:</b>			
Electricity charges	328,601	335,263	
Carriage inwards.	779,974	762,571	
Analytical charges.	102,465	223,326	
Water expenses.	58,800	36,995	
Factory Maintenance	85,587	231,732	
Wages	455,036	452,293	
<b>TOTAL</b>	<b>1,810,463</b>	<b>2,042,180</b>	
<b>SCHEDULE - N:</b>			
<b>ADMINISTRATIVE, SELLING &amp; FINANCE EXPENSES:</b>			
Salaries	2,626,723	3,508,798	
Staff welfare.	170,192	193,210	
Rent.	304,993	535,473	
Printing & stationery.	527,416	498,445	
Electricity charges.	99,811	122,313	
Postage & Courier	1,025,243	1,075,824	
Telephone.	328,544	384,363	
Conveyance.	412,039	368,785	
Sales tax.	6,873,397	6,974,459	
Breakage.	357,065	5,127	
Bank charges.	485,895	306,129	
Carriage outwards.	1,043,918	998,402	
General expenses.	213,787	337,136	
Consultancy charges	465,975	361,740	
Marketting promotion.	1,065,464	166,091	
Vehicle maintenance	537,115	638,507	
Travelling expenses.	1,015,304	1,287,841	
Interest.	759,001	3,744,246	
Doctor's samples.	54,625	18,266	
Repairs & Replacements	1,483,450	783,338	
Advertisement.	120,903	109,990	
Listing Fee	27,134	4,495	
Directors remuneration.	2,880,000	2,759,988	
Business promotion.	3,382,330	695,991	
ROC Fee	4,612	37,007	
Commission.	230,697	188,498	
Licences & taxes	221,663	313,415	
<b>SUB TOTAL</b>	<b>26,717,296</b>	<b>26,417,877</b>	

**ORTIN LABORATORIES LIMITED****SCHEDULE FORMING PART OF ACCOUNTS**

PARTICULARS	As at	As at
	31-03-2010	31-03-2009
	Rupees	Rupees
Audit fee.	50,000	50,000
Tax audit fee.	15,000	15,000
Tax consultancy fee.	20,000	20,000
Insurance.	89,527	140,920
Discount.	150,592	1,157,330
Maintenance charges.	295,778	145,327
Subscriptions & membership fee.	23,494	41,733
E.S.I. Contribution	51,575	69,966
Provident fund.	465,263	497,790
Professional Tax	13,100	35,000
Property tax	31,813	30,672
Depository transfer charges	32,063	35,707
Annual fee for D.Mat	-	999
ICICI Knowledge park Maintenance	256,533	204,005
Security charges	106,152	95,927
Annual Maintenance contract	86,140	80,703
Computer maintenance	369,808	348,015
Mumbai Office Maintenance	1,117,473	855,000
Tender forms	36,047	35,674
Rates & taxes.	-	21,080
Service Tax	13,705	86,434
Books & periodicals.	1,095	2,360
Loss on Sale of Assets	183,363	63,332
Bonus	126,856	139,569
Sitting Fee	19,000	19,605
Internet Charges	7,352	18,630
Income Tax	-	61,213
Loss on Foreign Exchange transactions	-	14,713
Fringe Benefit Tax	-	6,532
Forfeited Security Deposit	440	-
Goods Spoiled in Floods	352,109	-
ISO Audit fee	15,000	15,000
<b>TOTAL</b>	<b>30,646,574</b>	<b>30,726,113</b>

## ORTIN LABORATORIES LIMITED

### SCHEDULE - O.

#### NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.

##### I. SIGNIFICANT ACCOUNTING POLICIES:

**(a) Basis of Accounting:**

The Company follows the mercantile system of accounting. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting standards referred to in Section 211(3C) of the Companies Act 1956.

**(b) Fixed Assets:**

Fixed assets are stated at cost less depreciation. All costs (excluding CENVAT, VAT and Subsidy), including financing costs till commencement of commercial production and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.

**(c) Depreciation:**

The Company has provided depreciation for all the assets using straight line method at the rates specified in the Schedule XIV of the Companies Act, 1956.

**(d) Inventories:**

Inventories have been taken as valued and certified by the Management. The basis of valuation is as under:

Raw materials, Stores & Spares - at cost or market price whichever is lower.  
Finished goods – at lower of cost or market value on FIFO basis.

**(e) Retirement benefits:**

(i) Company's contribution to provident fund is charged to Profit & Loss Account.

(ii) No provisions have been made in accounts for the future payment of gratuity to the employees of the Company, Pursuant to the payment of Gratuity Act, 1972. The same being accounted as and when it is paid.

**(f) Revenue recognition:**

- i) Sale is recognized on dispatch of products and is inclusive of Excise Duty, Sales Tax and Packing and forwarding charges.
- ii) Interest income is recognized on accrual basis.
- iii) Dividend income is recognized as and when the right to receive the amount is established.

**g) Investments**

Quoted and un-quoted Investments are valued at cost.

**h) R&D Expenditure**

- a. Capital expenditure is included in the fixed assets and depreciation as per Company's policy.
- b. Revenue expenditure is charged to profit & loss account of the year in which they are incurred is included in the respective heads of expenditure.

**i) Borrowing Costs**

Borrowings costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**j) Cash Flow Statement**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31<sup>st</sup> March, 2010 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by ICAI.

**k) Accounting for Taxes on Income**

- a. **Current Tax:** Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.
- b. **Deferred Tax:** Deferred income tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws. Enacted or substantially enacted as of the Balance Sheet date.

**l) Employee Stock Option Scheme**

The company has not granted any Employee Stock Option Scheme.

**m) Impairment of Assets**

The management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

**n) Government Grants & Other Claims**

Revenue grants including subsidy/rebates, refunds, claims etc., are credited to profit & loss account under other income or deducted from the related expenses. Grants related to fixed assets are credited to capital reserves account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants etc., are established/realized.

**o) Miscellaneous Expenses:**

Preliminary expenses and expenditure in connection with issue of shares are being written off over a period of five years.

**p) Provisions and Contingent Liabilities and Contingent Assets**

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

**2. SECURED LOANS:**

a) Term Loans from Karnataka Bank Limited is secured by hypothecation of Plant & Machinery and other Fixed Assets and second charge on current assets of the Company and further secured by Personal Guarantee of Promoter Directors.

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

c) Vehicle Loans are secured by hypothecation of specified vehicles acquired.

3. During the year Sales Tax assessment for the financial year 2004-05 and 2007-08 was completed and an amount of Rs. 52,187 and Rs. 5,830 was paid against the demand of the department.

**4. RESEARCH & DEVELOPMENT EXPENSES:**

During the year the company has incurred revenue expenditure pertaining to Research and Development of Rs. 11,78,115/-. Revenue expenditure is shown under respective heads of expenditure. There is no capital expenditure on Research and Development.

**5. EMPLOYEE STOCK OPTION SCHEME**

During the year the company has not issued any employee stock option scheme.

## 6. SALES TAX DEFERMENT

The sales tax deferment liability amounting to Rs. 11,15,966/- shown under Unsecured Loans due for repayment from the financial year 2019 onwards. The Government of Andhra Pradesh has granted Sales Tax Deferment for a period of 14 years.

## 7. FOREIGN EXCHANGE TRANSACTIONS:

		31 March 2010 Rupees
a.	Value of imported KITs	9,33,729
b.	Expenditure in foreign currency on account of Registration in Uganda for export of pharma products	96,751
c.	Expenditure in foreign currency towards traveling & Marketing Development	7,12,812

## 8. MANAGERIAL REMUNERATION:

		31 March 2010 Rupees
	Mr. S. MURALI KRISHNA MURTHY	7,20,000
	Mr. S. MOHAN KRISHNA MURTHY	7,20,000
	Mr. S. BALAJI VENKATESWARLU	7,20,000
	Mr. S. SRINIVAS KUMAR	7,20,000

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

## 9. REMUNERATION TO AUDITORS:

	31 March 2010 Rupees
Audit fee	50,000
Tax Audit Fee	15,000
For taxation and other matters	20,000
Service Tax	8,755
TOTAL	93,755

## 10. CONTINGENT LIABILITIES:

- a) There were no contingent liabilities as on 31<sup>st</sup> March, 2010.
- b) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for – NIL.

11. **DEFERRED TAX** :

	31 March 2010 Rupees
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	3,82,21,521
Net Block as per Income Tax Act	2,85,38,116
Timing Difference	96,83,406
Net Tax Liability as on 31-03-2010	32,91,390
Less: Deferred Tax Liability as on 31-03-2009	29,30,097
Effect on Profit and Loss Account (Deferred Tax for the year)	3,61,293

# Deferred tax liability represents timing differences in depreciation on fixed assets.

12. **EARNINGS PER SHARE**:

(A) BASIC EARNING PER SHARE

i.	Number of equity shares outstanding at the beginning of the year.	36,70,400
ii.	Number of equity shares issued during the year.	NIL
iii.	Total number of equity shares outstanding at the end of the year. (used for denominator for calculating EPS)	36,70,400
iv.	Profit available to share holders.	82,17,438
v.	Basic Earning per Share. (face value Rs. 10/-)	2.24

(B) DILUTED EARNING PER SHARE

i.	Number of equity shares outstanding as per Point No. iii above.	36,70,400
ii.	Weighted average number of potential equity shares outstanding	NIL
iii.	Weighted average number of shares outstanding (used for denominator for calculating EPS)	36,70,400
iv.	Profit available to share holders	82,17,438
v.	Basic Earning per Share (face value Rs. 10/-)	2.24

### 13. **RELATED PARTY TRANSACTIONS:**

Disclosure as required by Accounting Standard AS 18: Related party disclosures issued by the Institute of Chartered Accountant of India (ICAI) is follows:

- (A) (i) Names of the transacting related parties.  
SRI SAI KRISHNA MARKETING ASSOCIATES
- (ii) Description of the relationship between the parties.  
Associate Firm.
- (iii) Description of the nature of transaction.  
Sales and purchases to/from associates firm in which directors are interested.
- (iv) Volume of transaction:  
Sales: Rs. 2,26,47,023/-  
Purchases: Rs. 21,95,891/-  
The above transactions are not related to the products, which are manufactured at the company's production facilities and it is only a trading transaction.
- (v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.
- (vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: NIL.
- (B) (i) Names of the transacting related parties.  
ORTIN BIOTECH PRIVATE LIMITED
- (ii) Description of the relationship between the parties.  
Associate Company.
- (iii) Description of the nature of transaction.  
Inter corporate Loan to associate Company in which directors are interested.
- (iv) Volume of transaction:  
Loan outstanding: Rs. 1,11,000/-
- (v) Other elements of the related party transactions necessary for an understanding of the financial statements: NIL.
- (vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: NIL.

### 14. **SEGMENT REPORTING:**

As the company's business activities falls within single segment viz., Pharmaceutical and allied Products the disclosure requirement of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

15. **SHARE CAPITAL:**

The paid up capital of the company is Rs. 3,67,04,000/- divided into 36,70,400 equity shares of Rs. 10/- each as on 31<sup>st</sup> March, 2010..

During the year 2010-11 the company has allotted 15,00,000 warrants to the Promoters & others at an issue price of Rs.18/- each. Of which, 10,30,000 warrants are converted into 10,30,000 equity shares of Rs.10/- each with a premium of Rs.8/- per share.

16. In the opinion of the Board the Current assets, Loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.

17. The balances shown against Sundry Debtors, Sundry Creditors and Advances are subject to confirmation from the respective parties.

18. **DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

As regards to the compliance of provisions relating to the dues to Micro, Small and Medium Enterprises in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has sent letters to the Creditors to confirm whether they are Micro, Small and Medium Enterprises. The Company is yet to receive the confirmations from them. Hence, the Company could not quantify the dues, if any to the Micro, Small and Medium Enterprises.

19. **ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT 1956, (AS CERTIFIED BY A DIRECTOR:**

**A. PARTICULARS IN RESPECT OF GOODS MANUFACTURED:**

Since the products involved are voluminous, According to the management it is not possible to give product wise details.

**B. STOCKS, PURCHASES & SALES OF FINISHED GOODS:**

Since the products involved are voluminous, According to the management it is not possible to give product wise details.

20. During the year it was proposed to declare dividend of 8% per each equity share..

21. During the year the company has amortized 20% of preliminary expenses i.e. Rs. 9,58,000/-.

22. During the year the following provisions were made:

Current Tax	Rs. 44,18,662 /-
Dividend Tax	Rs. 6,39,066/-

23. Disclosure under clause 32 of the Listing Agreement:

(a) Loans and Advances in the nature of Loans to Subsidiary Company	NIL
(b) Loans and Advances in the nature of Loans to Associate Company	NIL
(c) Loans and Advances in the nature of Loans where there is:	
(1) No repayment schedule or repayment beyond 7 years	NIL
(2) No interest or interest below section 372 A of Companies Act	NIL
(d) Loans and Advances in the nature of Loans to firms/companies In which directors are interested	Rs. 1,11,000
(e) Investment by the Loatee in the shares of the parent company And subsidiary company, when the company has made a loan Or advance in the nature of loan	NIL

24. Previous year figures have been regrouped and rearranged wherever necessary.

25. All the amounts are rounded off to the nearest rupee.

Signature to Schedule 'A' to 'O'

As per our attached report of even date

On behalf of the Board

For MATHESH & RAMANA  
CHARTERED ACCOUNTANTS

For ORTIN LABORATORIES LIMITED

B.V.RAMANA REDDY  
PARTNER  
M. No. 026967  
Firm Reg. No. 002020S  
PLACE: HYDERABAD.  
DATED: 26/08/2010

S.MURALI KRISHNA MURTHY  
Managing Director

S.MOHAN KRISHNA MURTHY  
Director

<b>ORTIN LABORATORIES LIMITED</b>			
<b>CASH FLOW FROM OPERATION ACTIVITIES:</b>			
<b>PARTICULARS</b>	<b>31-03-2010</b>	<b>31-03-2009</b>	
Net profit before tax	<b>12,997,393</b>	9,333,646	
ADD:Depreciation	<b>1,946,349</b>	1,936,148	
ADD: Misc. Expenses	<b>958,000</b>	958,000	
ADD:Interest	<b>759,001</b>	3,744,246	
Less:Interest received	<b>100,484</b>	214,112	
Less:Misc. income	<b>632,175</b>	987,639	
<b>Operating Profit</b>	<b>15,928,084</b>	14,770,289	
Increase in inventories	<b>(2,924,527)</b>	(4,025,000)	
Increase in debtors	<b>(2,202,937)</b>	33,581,974	
Increase in loan & advances	<b>(47,872)</b>	18,048,863	
Increase/Decrease in current liabilities	<b>13,103,684</b>	(32,948,657)	
<b>Cash generated from operations</b>	<b>23,856,432</b>	29,427,469	
less:Tax expense	<b>4,418,662</b>	2,811,508	
Less:Interest paid	<b>759,001</b>	3,744,246	
<b>Cash from operations</b>	<b>18,678,768</b>	22871715	
Increase in Investments	<b>9,172</b>	100,000	
Add: Misc. Income	<b>632,175</b>	987,639	
Add: Additions to Fixed Assets	<b>(9,222,294)</b>	(3,331,286)	
Add: Interest Recieived	<b>100,484</b>	214,112	
<b>Net Cash Used in Investing</b>	<b>(8,480,463)</b>	(2,029,535)	
Receipts from share capital	-	-	
Receipts from new borrowings	<b>(25,444,584)</b>	15,790,456	
<b>Net Cash Used Financing Activity</b>	<b>(25,444,584)</b>	15,790,456	
<b>Net cash Flow</b>	<b>(15,246,279)</b>	36,632,636	
Opening Balance	<b>37,432,550</b>	799,914	
Net cash Flow	<b>(15,246,279)</b>	36,632,636	
<b>Cash and Cash Equivalants</b>	<b>22,186,271</b>	37,432,550	
As per our report of even date annexed.		For and on behalf of the Board.	
<b>For Mathesh &amp; Ramana</b>		<b>For Ortin Laboratories Limited</b>	
<b>Chartered Accountants</b>			
		<b>S. Murali Krishna Murthy</b>	
<b>B. V. RAMANA REDDY</b>		<b>Managing Director</b>	
<b>Partner</b>			
<b>M. No. 026967</b>			
<b>Firm Reg. No. 002020S</b>		<b>S. Mohan Krishna Murthy</b>	
		<b>Director</b>	
<b>Place: Hyderabad</b>			
<b>Date: 26/08/2010</b>			

# ORTIN LABORATORIES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

### I. Registration Details:

Registration No. 

0	6	8	8	5
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 State Code 

0	1
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	0
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Date Month Year

### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue										
<table border="1" style="width: 100%;"><tr><td> </td><td>N</td><td>I</td><td>L</td><td> </td></tr></table>		N	I	L		<table border="1" style="width: 100%;"><tr><td> </td><td>N</td><td>I</td><td>L</td><td> </td></tr></table>		N	I	L	
	N	I	L								
	N	I	L								
Bonus Issue	Private Placement										
<table border="1" style="width: 100%;"><tr><td> </td><td>N</td><td>I</td><td>L</td><td> </td></tr></table>		N	I	L		<table border="1" style="width: 100%;"><tr><td> </td><td>N</td><td>I</td><td>L</td><td> </td></tr></table>		N	I	L	
	N	I	L								
	N	I	L								

### III. Position of Mobilisation and Development of Funds (Amounts in Rs. Thousands) Sources of Funds.

Total Liabilities	Total Assets												
<table border="1" style="width: 100%;"><tr><td>1</td><td>0</td><td>5</td><td>7</td><td>2</td><td>9</td></tr></table>	1	0	5	7	2	9	<table border="1" style="width: 100%;"><tr><td>1</td><td>0</td><td>5</td><td>7</td><td>2</td><td>9</td></tr></table>	1	0	5	7	2	9
1	0	5	7	2	9								
1	0	5	7	2	9								
Paid Up Capital	Reserves & Surplus												
<table border="1" style="width: 100%;"><tr><td> </td><td>3</td><td>6</td><td>7</td><td>0</td><td>4</td></tr></table>		3	6	7	0	4	<table border="1" style="width: 100%;"><tr><td> </td><td>3</td><td>2</td><td>6</td><td>6</td><td>7</td></tr></table>		3	2	6	6	7
	3	6	7	0	4								
	3	2	6	6	7								
Secured Loans	Un Secured Loans												
<table border="1" style="width: 100%;"><tr><td> </td><td>3</td><td>1</td><td>9</td><td>5</td><td>1</td></tr></table>		3	1	9	5	1	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>4</td><td>4</td><td>0</td><td>7</td></tr></table>			4	4	0	7
	3	1	9	5	1								
		4	4	0	7								
Application of Funds													
Net Fixed Assets	Investments												
<table border="1" style="width: 100%;"><tr><td> </td><td>3</td><td>8</td><td>2</td><td>2</td><td>2</td></tr></table>		3	8	2	2	2	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td>1</td><td>7</td></tr></table>					1	7
	3	8	2	2	2								
				1	7								
Net Current Assets	Miscellaneous Expenditure												
<table border="1" style="width: 100%;"><tr><td> </td><td>6</td><td>5</td><td>5</td><td>7</td><td>4</td></tr></table>		6	5	5	7	4	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>1</td><td>9</td><td>1</td><td>6</td></tr></table>			1	9	1	6
	6	5	5	7	4								
		1	9	1	6								
Accumulated Losses													
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L						
			N	I	L								

IV. Performances of Company (Amount in Rs. Thousands)

Turnover

3	1	4	1	3	4
---	---	---	---	---	---

Total Expenditure

3	0	1	1	3	6
---	---	---	---	---	---

Profit Before Tax

	1	2	9	9	7
--	---	---	---	---	---

Profit after Tax

		7	5	7	8
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Earnings per share in Rs.

Rs. 

2	.	4
---	---	---

 Ps.

Dividend Rate %

	8%	
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V. Generic Names of Three principal products/services of company (as per Monetary terms)

Item Code No. 

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(Its code)

Product Description:

I)

T	A	B	L	E	T	S									
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II)

C	A	P	S	U	L	E	S								
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III)

S	Y	R	U	P	S										
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For and on behalf of the Board of

M/s. ORTIN LABORATORIES LIMITED

Sd/-

S.MURALI KRISHNA MURTHY  
Managing Director

PLACE : HYDERABAD.

DATED: 26/08/2010

Sd/-

S.MOHAN KRISHNA MURTHY  
Director

**ORTIN LABORATORIES LIMITED**

Flat No. 502, Palem Towers, Barkatpura, Hyderabad – 500 027, Andhra Pradesh, India

**PROXY FORM**

Folio No: \_\_\_\_\_ DP ID: \_\_\_\_\_ Client

ID: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being a member/members of the above named company, hereby appoint

Mr./Mrs./Ms \_\_\_\_\_ in the district of \_\_\_\_\_ as

my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held Flat No. 502, Palem Towers, Barkatpura, Hyderabad – 500 027 at **11.00 AM on Thursday, the 30<sup>th</sup> September, 2010** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Address \_\_\_\_\_

Signature \_\_\_\_\_

Note: The Proxy form duly signed completed must be signed deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting. A proxy need not be a member.

-----TEAR HERE-----

**ORTIN LABORATORIES LIMITED**

Flat No. 502, Palem Towers, Barkatpura, Hyderabad – 500 027, Andhra Pradesh, India

**ATTENDANCE SLIP**

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Flat No. 502, Palem Towers, Barkatpura, Hyderabad – 500 027at **11.00 AM on Thursday, the 30<sup>th</sup> September, 2010**and at any adjournment thereof.

Name of attending shareholder

\_\_\_\_\_

(In Block Letters),

Name of the proxy

\_\_\_\_\_

(to be filed in if the proxy attends instead of the shareholders )

**SIGNATURE OF THE SHAREHOLDER/PROXY**

Ledger Folio No: \_\_\_\_\_ Distinctive Number of Shares \_\_\_\_\_.

DP ID \_\_\_\_\_ CLIENT ID \_\_\_\_\_

Note: Shareholders/Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature there on.