



Innovating for
affordable healthcare

Shilpa Medicare Limited

Corporate & Admin Office :

"Shilpa House", # 12-6-214/A-1, Hyderabad Road,
Raichur-584 135, Karnataka, India

Tel: +91-8532-238704, Fax: +91-8532-238876

Email: info@vbshilpa.com, Web: www.vbshilpa.com

CIN: L85110KA1987PLC008739

Date: 04th September, 2021

To
Corporate Relationship Department
BSE Limited,
1st Floor, Rotunda Building,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051.

Dear Sir/Ma'am,

Sub:

1. Notice for the 34th Annual General Meeting (AGM) and Annual Report for the Financial Year 2020-21.
2. Record date, cut-off date & Book Closure.

Ref:

Regulation 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Scrip Code: BSE- 530549/ **Stock Symbol:** NSE - SHILPAMED

Dear Sir,

We are hereby pleased to inform you that the 34th Annual General Meeting of Shilpa Medicare Limited is scheduled to be held on Tuesday the 28th day of September, 2021 at 11:30 AM through video conferencing (VC)/ other audio visual means (OAVM) to transact the business(es) as set forth in the notice of the meeting.

Cut-off date for determining the list of members for voting and participation at AGM through video conferencing (VC)/ other audio visual means (OAVM) is set as Tuesday, 21 September 2021.

The Company is providing remote e-voting facility to the members in respect of resolutions to be passed at the AGM and has engaged the services of M/s KFin Technologies Private Limited for the said purpose.



Innovating for
affordable healthcare

Shilpa Medicare Limited

Corporate & Admin Office :

"Shilpa House", # 12-6-214/A-1, Hyderabad Road,
Raichur-584 135, Karnataka, India

Tel: +91-8532-238704, Fax: +91-8532-238876

Email: info@vbshilpa.com, Web: www.vbshilpa.com

CIN: L85110KA1987PLC008739

In line with the provisions of Regulation 42 of SEBI (Listing obligations & disclosure requirements) Regulations, 2015 the record date for dividend is set as Tuesday, 21 September 2021 and pursuant to Section 91 of the Companies Act, 2013 the Books of the Company shall remain closed w.e.f., Tuesday, 21 September 2021 to Monday, 27 September 2021.

Please find the below calendar set in terms of the Companies Act, 2013 and the rules framed thereunder read with SEBI (Listing obligation & Disclosure Requirements) Regulation, 2015 for your reference:

Particulars of events	Scheduled dates
Record date	Tuesday, 21 September 2021
Book Closure	Tuesday, 21 September 2021 to Monday, 27 September 2021
Cut-off date for voting by the members and participation in AGM through VC.(The members of the record as on cut-off date would be eligible to cast their votes through remote e-voting and e-voting during the AGM)	Tuesday, 21 September 2021
Remote e-voting will commence on	Friday, 24 September 2021 at 09:00 am
Remote e-Voting will end on	Monday, 27 September 2021 at 05:00 pm
Day, date and time of AGM	Tuesday, 28 September 2021 at 11:30 am
Website of the service provider (Kfin) for e-voting	https://evoting.kfintech.com

For and on behalf of
Shilpa Medicare Limited.

V V Krishna Chaitanya

Company Secretary and Compliance Officer.





Innovating for
affordable healthcare

Shilpa Medicare Limited



**ENHANCING CAPABILITIES
SUSTAINING GROWTH**

34th Annual Report 2020-21

TABLE OF CONTENTS

Management Review

Enhancing Capabilities Sustaining Growth	1
About Us	2
Key Highlights Fy21	4
Consolidated Financial Highlights	6
Standalone Ratios	7
Chairman's Message	8
Review by Managing Director	10
Research & Development	12
Intellectual Property Management	14
Active Pharma Ingredient	16
API Manufacturing Units	18
Formulations	19
Review of Strategies	21
Board of Directors	24
Corporate Information	26
Corporate Social Responsibility	28
Environment	29
Awards	30

Statutory Reports

Management Discussion & Analysis	31
Directors' Report	37
Business Responsibility Report	55
Corporate Governance Report	84
Notice	217

Financial Statements

Independent Auditor's Report	104
Standalone Balance Sheet	112
Standalone Statement of Profit and Loss	113
Standalone Statement of Changes in Equity	114
Standalone Statement of Cash Flow	115
Notes Forming Part of Standalone Financial Statement	117
Independent Auditor's Report	164
Consolidated Balance Sheet	171
Consolidated Statement of Profit and Loss	172
Consolidated Statement of Changes in Equity	173
Consolidated Statement of Cash Flow	174
Notes Forming Part of Consolidated Financial Statement	176

Disclaimer

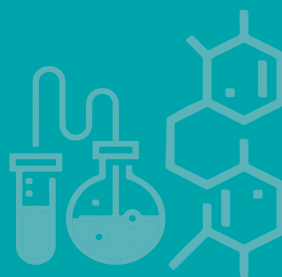
Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/images of our facilities, products or of any such nature/kind.



ENHANCING CAPABILITIES SUSTAINING GROWTH



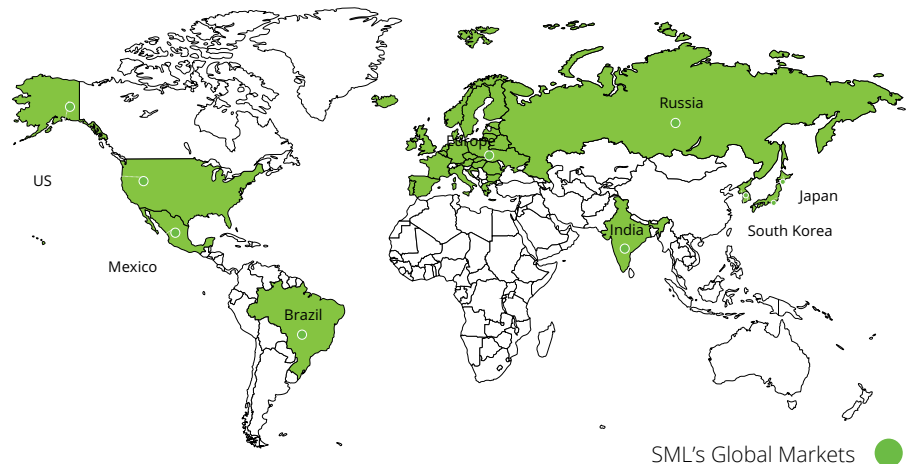
At Shilpa Medicare, our strategic capability is our ability to harness our research facilities, technology, production, and products for gaining competitive advantage. By enhancing and maintaining the competitive advantage, the Company has been sustaining operational and financial growth year on year.



About Us

SHILPA MEDICARE LIMITED

SML was incorporated in 1987 at Raichur, Karnataka, India. SML is one of the leading API and formulations manufacturers with strong capabilities in the therapeutic area of oncology. SML supplies more than 30 oncology APIs including key products such as Capecitabine, Gemcitabine Hydrochloride, Axitinib, Erlotinib Hydrochloride and Irinotecan Hydrochloride for various regulated markets including USA, Europe, Japan, South Korea, Russia, Mexico, Brazil, and other emerging markets. While SML's underlying expertise is in the field of oncology, it also derives its revenue from sale of non-oncology APIs. With key products being Ambroxol (Mucolytic agent) in Europe and Tranexmic Acid and Ursodeoxycholic acid in India.



SML's product range includes over 44 oncology and non-oncology APIs. The Company's formulation product range consists of 16 injectable dosage forms, 19 oral solid dosage forms under SML and 13 formulations under SML's wholly owned subsidiary Shilpa Therapeutics Private Limited.

6

Manufacturing Units

265+

Scientists

413

Patents filed

44+

High quality products

Product Range



Oncology and Non-Oncology APIs



Oral Dissolving Films



Oncology Formulations



Biochemical Diagnostics



Biosimilars



Organic Intermediates



Transdermal Patches



Pilot and Production Scales



Ophthalmics



KEY HIGHLIGHTS FY21

FINANCIALS (STANDALONE)

+6%

YoY Total Income Growth
₹ 86,422 Lakhs in FY21.

+2%

YoY EBIDTA Growth
₹ 26,091 Lakhs in FY21

Note: On a consolidated basis, the total revenue growth was flat 1% YoY with a decline of 11% in EBITDA. Q4 performance across businesses impacted due to capacity enhancement in API both Oncology & Non-Oncology. Formulation remediation measures have hampered the USA sales, but SML was able to sell in EU Market License income reduced due to USFDA Import Alert.

REGULATORY FILINGS

APIs

40

US DMF
Cumulative filings as in FY21 with all CA listed.

16

CEP EDQM
Cumulative filings as in FY21
13 CEP approved 3 under review.

12

EDMFs
Filed in FY21 All under review.

Formulations

25

US submissions as in FY21.

20

EU Submissions as in FY21.

18

UA ANDA : Customers.

ACTIVE PHARMA INGREDIENTS

+12%

YoY API Revenue Growth (Standalone).

4

New Products Launched

New Products Launched

2 in oncology and 2 in non oncology for the global markets.

Expanded to 1 dedicated blocks for Oncology and 2 blocks for Non-Oncology and created bay within the block to operate multiple products.

Expansion of various API capacities.

Multi-product capability for Oncology & Non-Oncology.

1 Product approval from WHO

Peptide Block Commissioned.

Tranexamic acid production block capacity expanded from 5.5 MT to 15 MT.

Dedicated Peptide and Polymer R&D nearing completion.

Stepping into FY22: API business to be a separate entity for each vertical to be a unique business model and to get the desired strategic impetus.

FORMULATIONS

5

Oncology products
Launched in FY21 in India

3

Non Oncology products
Launched in FY21 in India

2

Vitamin Supplements
Launched in FY21 in India



Green Tea film

First of its kind Antioxidant Green Tea film in oral disintegrating film



SwatchShil

Swatchshil is first of its kind for intimate cleansing spray for women. Anti Bacterial , Anti fungal.

Shilpa Medicare and Combating Covid






Shilpa Biologicals Pvt Ltd, (SBPL) the wholly owned subsidiary of Shilpa Medicare Ltd. has entered in a 3-year definitive agreement with Dr.Reddy's Laboratories for the production-supply of SputnikV vaccine from its integrated Biologics R&D cum manufacturing center. Technology Transfer ongoing currently with commercial production expected to start in Oct-Nov 2021.

In FY22 the Company received an approval from the Defence Research & Development Organization (DRDO) for the manufacture and sale of 2-Deoxy-D-Glucose (2DG). Shilpa Medicare is the second company in the country to enter in a similar arrangement with DRDO.








CONSOLIDATED FINANCIAL HIGHLIGHTS






Operating Revenue (Rs. in Lakhs)

FY21		90,113
FY20		90,791
FY19		73,389
FY18		79,153
FY17		78,356






PAT (Rs. in Lakhs)

FY21		14,778
FY20		15,615
FY19		10,993
FY18		10,395
FY17		10,262

PBT (Rs. in Lakhs)






FY21		19,505
FY20		18,805
FY19		13,568
FY18		13,677
FY17		15,104

EBITDA (Rs. in Lakhs)






FY21		21,179
FY20		23,673
FY19		16,956
FY18		18,384
FY17		19,095

STANDALONE RATIOS






Operating Profit (%)

FY21		25.46
FY20		27.07
FY19		22.40
FY18		22.11
FY17		23.21






PAT (%)

FY21		21.34
FY20		23.70
FY19		18.26
FY18		17.37
FY17		16.82

EBITDA (%)

FY21		30.19
FY20		31.35
FY19		27.45
FY18		26.10
FY17		26.36

EPS (Rs.)

FY21		22.62
FY20		20.63
FY19		16.65
FY18		16.68
FY17		15.68

CHAIRMAN'S MESSAGE



Dear Shareholders,

Welcome to our FY21 Annual Report.

We are amidst a global economic recovery after a devastating FY21 due to the COVID 19. As on 28 August, 2021 the total cases across the globe is around 600,000, many times lower than what it was an year ago. The situation in India, from one of the worst affected in the world a year ago, is expected to be nearing an endemic stage. The ongoing vaccination driver will further increase our population's immunity.

The year 2020 saw a 3.3% fall in economic growth, from a high of USD 87.55 trillion in 2019. The world economic outlook forecasts global growth at 6% for 2021, in its outlook published in April 2021. The additional fiscal support and vaccine

aided recovery are the key factors for increasing the growth forecast of 4.4% made previously in October 2020. While the forecast is optimistic, it is surrounded by high uncertainty. There are several variables such as impact of recession, impacted population, rate of infection, number of deaths, fiscal policies, extent of vaccination, population demographics, unemployment levels and so on.

Along with the global economy, India too experienced a significant contraction in GDP during 2020-21, due to the pandemic. Supply chain disruptions and increase in key food prices led to an elevated headline inflation, which was moderated in December 2020, with easing of food prices. Credit and monetary conditions were expansionary and financial markets eased amid the backdrop

of ample liquidity. Things improved until India was hit hard by the second wave of the pandemic in March 2021. However the economy is rebounding after the country has been able to check even the second wave. All the key constituents in healthcare value chain including pharma companies worked with an additional responsibility while combating the pandemic.

Indian Pharma Sector

A recent WEF study says that India has the potential to contribute \$500 billion in annual economic impact to the global economy by 2030 by becoming the world's manufacturing hub. I am heartened to say that with respect to pharma sector India is already a world pharma hub. India supplied around 45 tons and 400 million tablets of hydroxychloroquine to around 114 countries globally amidst pandemic. Further India is among the 26 countries manufacturing the Covid Vaccine which confirms our scientific community's research and development capabilities. The Indian pharmaceutical industry is the third-largest in the world by volume and 14th largest in terms of value i.e going forward the Indian pharma companies have lot to gain by further unlocking and increasing the value.

According to Pharmexcil, India's pharmaceutical exports grew 18.7% to \$24.44 billion in the financial year ended March 31, spurred by strong demand for the country's generic drugs. The industry posted its best export performance in value terms despite the global pharma market shrinking by 1-2% in 2020. This was due to a surge in demand for made-in-India generics, owing to their quality and affordability.

Our global positioning with respect to external demands and capabilities are detailed in the ensuing pages and in the Management Discussions and Analysis.

Key Events During the Year

Apart from expanding in our key therapeutic areas of oncology and non-oncology, our strategic pursuits to diversify our product range in oral dissolving films, biologics, transdermal dosage forms have touched significant milestones during the year. Our formulation division introduced novel products i.e for women's hygiene and green tea film for the general public for increasing immunity. Stepping into FY22 we have successfully addressed a long-awaited need to have a oral thin film for the paediatric segment with the launch of Molshil – a paracetamol ODF first time in the world. Shilpa Biologicals Pvt Ltd, (SBPL) our wholly owned subsidiary of Shilpa Medicare Ltd. has entered in a 3-year definitive agreement with Dr.Reddy's Laboratories for the production-supply of Sputnik V vaccine from its integrated Biologics R&D cum manufacturing center at Dharwad, Karnataka. I congratulate our team for tirelessly working towards our goals.

Despite challenging last 2 quarters, both API & Formulation businesses witnessed robust growth during the year. Q4 performance across businesses impacted due to capacity enhancement in API both oncology & non-oncology which is strategic in nature for enabling our long-term performance.

License income reduced due to USFDA Import Alert. Three products have been exempted from the Import Alert - Azacitidine for Injection, Cyclophosphamide Capsules and

Erlotinib Tablets. The Company is committed to address the concerns raised by the USFDA and is working with the USFDA to resolve these issues at the earliest.

FY22 and Beyond

Stepping into FY22 the results of Q1 is encouraging with a year of year Q1 revenue growth of 5%. The Board of Directors of the Company has decided to make API business as a separate entity for each division to be a unique business model and to get the desired strategic impetus.

From Deference Research & Development Organisation (DRDO) we have received an approval for manufacture and sales of 2-Deoxy-D-Glucose (2DG) – the second company in India to received this approval.

Governance and Social Responsibility

The Board of Directors of the Company through various committees along with the senior management of the Company continue to closely monitor and implement all governance initiatives to comply with the regulatory norms as well as to ensure value is created for our shareholders, employees, customers and society. Corporate Social Responsibility is akin to our business model. Towards our corporate responsibility initiatives, we spent ₹ 339 lakhs during this year. Key social interventions during the year include Water Conservation, Rural Education Promotion, Environmental Protection, Medical or Health camps, Sports Promotion, Swach Bharath, COVID 19 and Rural Development related activities.

Concluding Remarks

As you will find in the narratives of this report, we continue to expand

our people, research, technology, manufacturing and product capability for strengthening our mission to provide affordable healthcare to the world. I take this opportunity to thank regulatory authorities shareholders, partners, customers, suppliers for their continued support.

Stay safe, stay healthy.

Regards

Omprakash Inani

Chairman



Despite challenging last 2 quarters, both API & Formulation businesses witnessed robust growth during the year. Q4 performance across businesses impacted due to capacity enhancement in API both oncology & non-oncology which is strategic in nature for enabling our long-term performance.

REVIEW BY MANAGING DIRECTOR



Dear Fellow Shareholders,

By all measures, FY21 was a historic year in our lives. It was also an eventful year for Shilpa Medicare.

We began the year with the COVID pandemic induced lockdowns and uncertainties. The situation improved starting the second half before being hit again by the second wave of infections towards the end of FY 21. At Shilpa Medicare, we implemented and sustained a number of safety protocols to mitigate the spread of pandemic amongst our people. At the same time, we had a robust Business Continuity Plan in place that ensured seamless operations at all levels within Shilpa. For this, I extend my special gratitude to our relentless team of employees.

Shilpa in its own way has also been contributing towards the global fight against COVID-19 using its

developmental and manufacturing expertise. Shilpa through its wholly owned subsidiary Shilpa Biologicals has been awarded a contract for manufacturing of SPUTNIK – V vaccine by Dr. Reddy's Limited. Recently, we have also received in-principle approval from Defence Research & Development Organisation (DRDO) for technology transfer, manufacture and supply of 2-Deoxy –D-Glucose (2DG).

Business highlights of FY 21

API Business

Shilpa continued to progress on all its strategic initiatives through the year. We launched 4 new APIs, 2 each in oncology and non-oncology taking our total product basket size to – products in oncology and – products in non-oncology.

We have now diversified into peptide & polymer products with a view to

significantly strengthen the pipeline of products in the future. In order to build upon its strong technical capabilities, Shilpa has been approached by global companies for CDMO. We expect this to make meaningful contributions to revenues and profits in the foreseeable future.

Formulations - India Business

During the year, we launched 12 formulations in India. The new launches were in the therapeutic areas of oncology, non-oncology, and products for the OTC market such as women hygiene, vitamin supplements and an antioxidant green tea film.

Formulations - International Business

Our US business was gaining traction with most of our products increasing their respective market share. However, in the second half of FY21, Shilpa unfortunately received an import alert from the USFDA for our formulations plant at Jadhchelra. We are working towards resolving the concerns cited by the regulatory agency and plan to seek a meeting with them at the earliest possible time. In accordance with the conditions in the alert we are able to supply 3 products to the US Market despite the import alert.

Shilpa has taken following proactive measures in minimizing the effect of the challenges faced by the import alert:

- a) Improved focus on the European/ RoW business helped mitigating loss of business from the US markets.
- b) Activated de-risking plans by adding 3rd party manufacturing site for important products for the US market.

- c) Launch of nutraceutical products in film formulation for the RoW markets

With the ongoing efforts, I believe we should be able to get our US business back on track by end of 2022.

Biologics:

In Novel biologicals, 2 lines each of 1,000L fermentation capacity for production of the NBE to cater to clinical trial material and formulation grade material were commissioned in April 21. Clinical trials for the first biosimilar is already underway.

For another biosimilar, animal study is going on. We believe that we should be able to launch in India at least two biosimilar products by June, 2022.

R&D:

Our R&D has gained pharmacovigilance advantage. Pharmacovigilance is part of our product stewardship to detect, assess, understand and prevent adverse effects or any other drug-related problems.

Our product and segment selection has been in a technologically challenging area and we have been consistently successful in development of complex products. We are building a strong pipeline of Biologics, orally dispersible films (ODF) and transdermal patches to be an important player in the global arena including the domestic markets.

We recently launched a pediatric dose paracetamol oral thin film, under the brand name Molshil. The drug has been launched in strengths of 60 mg and 120 mg. This is yet another milestone in our product development capabilities.

Financial Performance for FY 21

On a consolidated basis our revenue during the reported year is ₹ 93,127 lakhs as against ₹ 92,485 lakhs in FY20. The topline from API and

formulations business improved 10% and 30% year on year. The overall revenue was primarily impacted due to the dip in the product license fee. EBITDA for the period is ₹ 21,179 as against ₹ 23,673 lakhs in FY20 and PAT is ₹ 14,778 lakhs as against ₹ 15,615 lakhs. The margins and profits were impacted due to a combination of decline in licensing income, FDA remediation costs for the formulation plant, and higher financial costs on account of increase in expenses to build our tangible and intangible assets.

FY22 and Beyond...

We continue to focus on improving the core API and enhance our Formulations business as we look for newer opportunities in untapped markets. Over the past few years, we have judiciously invested in top quality human capital. The teams we deployed in our international markets have helped us grow our presence and we hope to capitalize there. We also continue to build a strong product pipeline which will translate into a healthy growth in the years ahead.

Our focus on the diversification in newer areas like Biologics, portfolio expansion in Transdermal Dosage Forms, Oral Thin Films formulations and CDMO business will gain traction in FY22 and beyond.

Our wholly owned subsidiary Shilpa Biologicals (SBPL) recently entered into a 3-year definitive agreement with Dr Reddy's Laboratories Ltd for production and supply of Sputnik V vaccines from our integrated biologics R&D cum manufacturing center at Dharwad, in Karnataka. The targeted production of the dual vector Sputnik V for the first 12 months is 50 million doses (50 million of Component 1 and 50 million of component 2) from the date of start of commercial production validating our strong execution capabilities in handling DNA based products. This

arrangement also provides us an opportunity for early commercialisation of our biotech assets.

To conclude, I would like to thank our customers, financial institutions, government, regulatory bodies for their continued support and faith in Shilpa. And last but not the least my humble salutations to the brave health workers for their unrivaled dedication and hard work while leading the frontline battle against the pandemic.

Stay safe, stay healthy.

Regards

Vishnukant Chaturbhuj Bhutada
Founder & Managing Director



Over the past few years, we have judiciously invested in top quality human capital. The teams we deployed in our international markets have helped us grow our presence and we hope to capitalize there.

Review of Business

RESEARCH & DEVELOPMENT

Research and Development is the core strength of SML and its purpose is to fulfill our vision to deliver affordable healthcare. Over the years R&D has played a vital and significant role in strengthening the Company's competitive advantage in the global pharma sector. Through research and development, the Company has emerged as an important player in the delivering oncology API, generic equivalents in both oncology and non oncology formulations (injectables and oral dosage forms). Our R&D is also involved in developing dermatological products as sprays and patches, ophthalmic formulations as part of eyecare, orally disintegrating strips/ films. We have also evolved as a key supply chain partner to many leading pharma companies.

Our R&D focus is on products with significant entry barriers, while looking for new opportunities in generics, formulations and biologicals.





Research & Development-API, Raichur.

Our research and development centre is capable of designing & developing generic APIs meeting international standards, including difficult to make complex API processes, for both Oncology & non-Oncology molecules. The SML's R&D centre in Raichur has shown significant progress in terms of new projects taken for development and the projects successful transfer to manufacturing. The Raichur API team has transferred or delivered 8 projects successfully and transfer trials along with validation at plant scale and 25 new projects are as part of development Grid for process development of Oncology and non-Oncology molecule.

Research & Development-Formulations, Bangalore

Shilpa Medicare has commissioned the State of Art Centralized Finished

Dosages R&D Centre at Dabaspet near Bangalore. The R&D Centre is involved in development of Oncology and Non-Oncology Injectable oral, ophthalmic, topical/ derma, oral disintegrating film formulations.

R&D Centre is well equipped for development of novel formulations in concept of old wine in new bottle to improve therapeutic with respect to patient compliance and reduction and/ or minimizing of associated toxicity, Generics equivalents, Complex Generics and value added dosage forms involving Nano and Micro technologies like Liposomes, nano particles and specialty products.

On Analytical front, the R&D is equipped with state of the art instruments to evaluate all kinds of dosage forms. State of the art infrastructure is built for Extractable & Leachable studies for relevant products. Facility is capable of carrying

out analytical method validations for both in - house & customer products. Analytical R&D has capabilities of characterization of API, impurities, excipients and packing components.

The new Research and Development Centre is one point stop to customers for Product Development, can cater the product development along with analytical method development, analytical method validation, stability studies, characterization of impurities, evaluating extractable & leachable tests of packing components for finished dosage form.

Process Development Lab meeting the cGMP requirement for manufacture scale-up batches to optimize the process variables and to manufacture of clinical batches is commissioned for execution. New Research and Development Centre is a CRO for Non-Onco products for dosage forms like injectables, solid orals, liquid orals, topical, & ophthalmic along with analytical method development and validation support and for CRAMS for Oncology portfolio, along with transdermal patches and oral disintegrating films/ strips of customers.

Research & Development – Biologicals, Hubli

The Company at its Biologicals unit in Hubli, Karnataka is pursuing an aggressive IP strategy for Biosimilar and NBE assets. 6 of the top 15 Biologic products are in the pipeline.

The Biologicals R&D infrastructure includes clone and bioassay development platforms, high throughput multi parallel fermentation units, conventional and continuous chromatography units, high end/high throughput analytical platform, and formulation development engine.

Review of Business

INTELLECTUAL PROPERTY MANAGEMENT

Intellectual capital of the company Shilpa has a dedicated IPM Team which provides stage wise IP-clearance during product/process development activities and also provides frequent updates and alerts on relevant IP (patent, trademark etc) to R&D scientists for products/process and suggests remedial measures to deal with IP issues.





Shilpa IPM team is involved in product selection activity to ensure that, right products are selected for development. Shilpa's IPM team continues to build its future pipeline of complex products with an established robust portfolio selection process, providing early launch opportunities with intellectual property advantages.

Shilpa's strengths, across various molecules including oral, injectable and complex differentiated products, biologics, lie in developing intellectual property in non-infringing processes and resolving complex chemistry challenges. The API Process development is focused for developing and transferring commercially viable, non-infringing and patentable novel API technologies. The development grid selection for API's is based on difficult-to-make API molecules and novel polymorphic forms of certain API's for creating value addition.

Shilpa's IPM Team is involved in patenting of new products, processes, methods of use, drug delivery systems and medical devices in India, US, EU and other countries with significant market value.

Regulatory Inspections and Approvals (API units).

In February 2020, two API facilities located at Raichur, Karnataka, i.e. Unit-1: Deosugur Industrial Area, Deosugur, Raichur, Karnataka, India and Unit-2: Raichur Industrial Growth Centre, Chicksugur, Raichur, Karnataka, India, inspected by USFDA. EIR received on April 17, 2020.

Biologicals

SML emerging Biologics business is aggressively targeting IP opportunities to ring fence its technology development programs, while pursuing IP in-licensing opportunities to further speed up its time to market.

Highlights FY 20-21

In FY 20-21, Shilpa filed one NDA and settled the litigation.

Shilpa settled one litigation during FY 20-21 and succeeded in litigation related Dimethyl fumarate DR capsules at District court of Delaware.

Shilpa is committed to enhance our product profile by strengthening our intellectual property. Our patent portfolio is testament to our commitment. In FY 20-21, Shilpa and its group companies have filed 56 patent applications taking the cumulative total to 413 patent applications in India and other countries. Shilpa received grants for 19 patents during FY 20-21. Additionally, 49 patent applications have been acquired from FTF Pharma.

56

Patent Applications Filed

413

Patent Applications in India and Abroad

19

Patent Received

Review of Business

ACTIVE PHARMA INGREDIENT

Shilpa Medicare has two state-of-the-art API manufacturing facilities at Raichur in India, supported by a strong R&D, IPM, regulatory functions and quality control. The facilities are cGMP Compliant & approved by many national & international regulatory bodies like USFDA, EU, Cofepris- Mexico, PMDA-Japan, Korean FDA, TPD Canada & TGA-Australia.

API - Revenue (Consolidated)

₹ **607** Crore
₹ 554 Crore in FY20



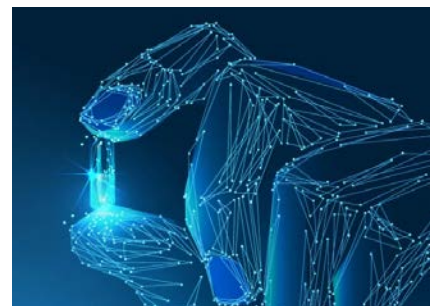
API Key Highlights



9 dedicated blocks for Oncology



7 blocks for Non-Oncology



Multi-product capability



Expansion of various API capacities



Peptide and Polymer divisions added.



CDMO introduced to existing business

Shilpa Medicare has two state-of-the-art API manufacturing facilities at Raichur in India supported by a strong R&D, IPM, regulatory functions and quality control. The facilities are cGMP Compliant and approved by many national & international regulatory bodies like USFDA, EU, Cofepris-Mexico, PMDA-Japan, Korean FDA, TPD Canada & TGA-Australia.

Shilpa's multiple APIs & intermediate manufacturing blocks come with segregated Oncology and non-Oncology manufacturing facilities. These blocks are designed to handle small scale, medium scale & high-volume scale to handle different levels of Batch size like 500 gm to 350 kg in Oncology & 5 kgs to 1700kgs in Non oncology to ensure a reliable and seamless supply of raw materials

and for reducing the input costs, the Company's strategy is to strength backward integration of key raw materials/intermediates.

Key Strategies - APIs

Shilpa has taken up many expansions in last 1 year, one of our main and regular product called Tranexamic acid (Non-Oncology Product). Plant is modified & also expanded from 5.5 MT to 15 MT/month & going forward we will be going up to 20 MT/month.

Non-Oncology Product called Ambroxol capacity expanded from 10.0MT -25.0 MT/month. The Company has also taken up debottlenecking of all the blocks & created double Bay/2 line in 2 Oncology manufacturing blocks which helps in manufacturing multiple products at a time. Such initiatives

have helped the Company to improve the capacity utilization & productivity improvements.

Shilpa brought up many other segments in API Facility like Peptide, Polymer & Flow Chemistry along with its R&D dedicatedly along with our existing AR&D & CR&D.

Quality

Facility is having quality control unit with a capability of method development, method validation & testing of RM, IM & Finished products with all 21 CFR Part 11 compliance sophisticated instruments like LCMS, GCMS, ICPMS, XRPD, PSD analyzer, HPLC, GC and all other supportive instruments for testing products with well trained & qualified staff & not depended on any equipment for Product release to market.

API MANUFACTURING UNITS

API Facility, Unit-1

Raichur, Karnataka, India

Unit 1 is an API facility catering to Oncology/non-Oncology APIs and CRAMS functions. It has world-class six manufacturing blocks (Oncology -04 and non-Oncology -03) competence for gram-to-kilo scale synthesis. The total non-Oncology products manufacturing reactor volume is 38,000L and Oncology products manufacturing reactor volume is 28,000L.

Products

To cater Oncology & non-Oncology API's

Approvals: USFDA, EUGMP, PMDA, Cofepris, KFDA, WHO GMP.

API Facility, Unit-2

Raichur, Karnataka, India

This world class manufacturing facility is a 100% Export Oriented API Unit. This Unit have state-of-the-art ten manufacturing blocks (Oncology - 05 and non-Oncology - 05). The total non-Oncology products manufacturing reactor volume is 53,000L and Oncology products manufacturing reactor volume is 1,22,000L.

Products

To cater Oncology & non-Oncology API's **Approvals:** USFDA, EUGMP, PMDA, Cofepris, WHO GMP



Review of Business

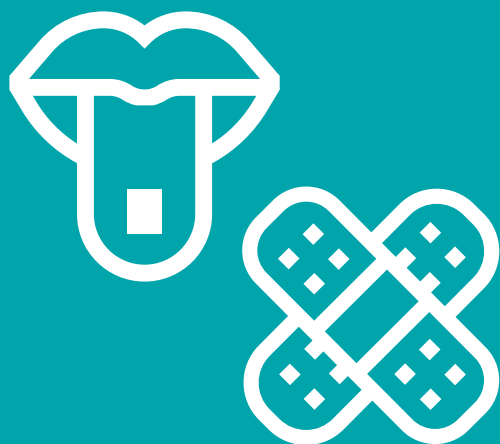
FORMULATIONS

SML manufactures Injectable Dosage Forms, Oral Solid Dosage Forms, Oral Disintegrating Films and various prescription and OTX products for the overseas and Indian markets. The Company has three formulation manufacturing unit located in Jadcherla and Hyderabad in Telangana and Raichur in Karnataka. These units comply with all regulatory requirements having received approvals from various prominent international regulatory bodies, including the USFDA.

Each of our manufacturing facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules. Our manufacturing facilities have flexibility to operate for wide range of batch of sizes and in various dosage forms. We are also open to collaborate for our manufacturing facilities as per the requirements of our customers.

Formulations – Revenue (Consolidated)

₹ **219** Crore
₹ 194 crore in FY20



Formulations Key Highlights



2 self contained Oncology & Adjuvant Therapy Manufacturing lines for Oral Solids products



3 self Isolated Oncology & Adjuvant Therapy manufacturing lines for Injectable products (Liquid & Lyophilized)



New centralized QC laboratory and Bio-Analytical labs in Hyderabad

Key Strategies – Formulations:

Shilpa Medicare Limited has entered in IPM in November 2020 with a range of brands introduced in Gastrointestinal, Vitamins, Mineral, Nutrients, Gynaecology, Orthopaedics, Urology, Paediatrics segment etc. as first set of brands. Our aim is to provide unique ODF technology advantages to patients/consumers with an ease of administration and better patient compliance experience. We have started our product promotion through a structured field force in major cities of India.

The Company is further planning to strengthen its new product portfolio for the domestic market in FY 2022 and beyond .

We as an organization has a clear path and vision planned to penetrate in IPM market through exclusive Rx route and phase wise entry in OTX market with women care products and various other segment which we would like to share in 2nd quarter onwards as we add these products in our brand basket. We are sure to mark and make our presence felt in IPM through our unique delivery system technology called as MDF.

Formulation Facility, Unit-4

Jadcherla, Telangana, India

The facility is designed for manufacturing of potent products (including Oncology products) for various regulatory markets. This facility consists of Oral solid block with two commercial scale tablet manufacturing and one commercial scale capsule manufacturing line approved by USFDA. Separate Injectable blocks consists of two liquid-lyophilization commercial scale manufacturing lines approved by USFDA and 3rd Injectable combi-line for handling of liquid, lyophilized and Dry Powder Injectable are operational.

Products

Lyophilisation, tablets & capsules large and small volume parenteral injectables.

Approvals

USFDA, EUGMP, Anvisa, Cofepris, DIGIMED-Peru, WHO GMP, etc

Formulation Facility Unit -5

Hyderabad, Telangana, India

Shilpa Therapeutics (A subsidiary of Shilpa Medicare Ltd.) is a unit that manufactures oral fast dissolving thin strip dosage forms of drugs using Fast Disintegration Technology. This facility is equipped with a layering machine and an 8-track packing machine with an output of 800,000 units /day. Further aggressive capacity expansions plans are being pursued. First launched product from this facility- Ondansetron-oral disintegrating strips has received rave patient and prescriber response in India.

Products

Orally Disintegrating Strips.

Approvals

WHO-GMP, Pharmacy Poison Board-Kenya, National Drug Authority Uganda

Formulation Facility Unit -6

Location, Bangalore

SML's state-of-the-art facility 6th unit has all critical process equipments, besides others .Our manufacturing line is equipped with different coating methods. Our in-house capability offers variable coating widths between 120mm and 540 mm; in order to match volume requirements. Our capacity is designed to produce around 40 million products per year and facility is fully equipped with state-of-the-art instruments to evaluate all kinds of testing of both Oral Thin Films and Transdermal Patch formulations.

Products Transdermal Stripes and Oral Thin films.

Approvals

Facility is certified by the GMP consultants.

Review of Business

REVIEW OF STRATEGIES

Key strategies to drive growth at SML are expanding the product capabilities and expanding the global sales distribution network for APIs, Formulations, SML's product pipe.



Strategic Enablers:

- Research & Development
- Global Footprints
- Experienced Team
- Marquee Customers
- Sustained Compliance to cGMP and Regulatory Expectations

- Strategic Product Portfolio
- Contract Manufacturing
- Information Technology – AI adoption
- State-of-the-art Manufacturing
- Agile Manufacturing Setup to Easy Scale Up



Strategy - 1

CAPACITY AND PRODUCT EXPANSIONS – API

At SML, expansion of its core business - API is aided by the ongoing capex. These expansions are aimed at gaining the technological and capacity advantage on a global scale. Strengthened by the API R&D, SML have been launching products for global markets on a regular basis. The focus is on products with significant entry barriers and complex API processes.

Shilpa has taken up many expansions in FY20 & 21, one of the main product Tranexamic acid (non-Oncology Product) plant has been modified & also expanded from 5.5 MT to 15 MT/month. Non-Oncology Product called Ambroxol capacity expanded from 10.0MT-22.0 MT/month. The Company has also taken up debottlenecking of all the blocks & created double Bay/2 line in 2 Oncology manufacturing blocks which helps in manufacturing multiple products at a time. Such initiatives have helped the Company to improve the capacity utilization.

Shilpa brought up many other segments in API Facility like peptide segment where R&D and manufacturing block are being made separately. Polymer R&D is under scale up with one GMP facility created within facility.

Key API Highlights of FY21

4

New APIs introduced in FY21

- Peptide and Polymer divisions added.
- CDMO introduced to existing business sector
- Initiated debottlenecking of all the production blocks
- 2 major Oncology products batch size increased by 5 times and 7 times respectively.

- New Tranexamic block commissioned
- One new Oncology intermediate block commissioned and taken one product validation

While Going Forward: In the API business a dedicated peptide and polymer R&D nearing completion.



Strategy - 2

LAUNCHING NEW FORMULATIONS

The strategic intent in the formulation business is expanding the product portfolio across the globe.

SML has entered in the Indian Pharmaceutical Market (IPM) in November 2020 with a range of brands introduced in Gastrointestinal, Vitamins, Mineral, Nutrients, Gynaecology, Orthopaedics, Urology, Paediatrics segment etc. Our aim is to provide unique ODF technology advantages to patients/consumers with an ease of administration and better patient compliance experience. We have started our product promotion through a structured field force in major cities of India.

We as an organization has a clear path and vision planned to penetrate in IPM market through exclusive prescription route and phase wise entry in OTX (where products enjoy both prescription patronage and over-the-counter sales) market with women care products and various other segment which we would like to share in 2nd quarter onwards as we add these products in our brand basket.

Key Developments in FY21

12

New products launched

While going forward :

- ➔ Expanding reach by entering different geographies/ markets
- ➔ Maintain regulatory compliance in Europe and other countries
- ➔ Resolve the GMP concerns raised in Warning Letter and Import Alert
- ➔ Mitigate risk in US market by alternate ways like site transfer of products, new QC laboratory, etc.

**Strategy - 3****EXPANDING BIOLOGICS, TRANSDERMAL DOSAGE FORMS AND ORAL THIN FILMS**

The Company has been pursuing growth under Transdermal Dosage Forms and Oral Dissolving Films (ODF) and Biologicals.

For more effective and easy administration of drug doses, the global healthcare sector is fast adopting transdermal dosage forms and oral thin films. The Company's R&D is involved in development of Oncology and non-Oncology Injectable formulation and oral formulations. R&D also develops Transdermal patch and topical preparations Ophthalmic formulations and Orally Disintegrating Film formulations.

The core product range of Oncology and adjunct therapy includes liquid and lyophilized injectable, sterile dry powder injections and oral solids.

As on 31st March, 2021, (please check the date) combo line for ODF/TDS has been commissioned and exhibit batches of ODF Products have been initiated - 4 products execution completed and few more products in pipeline. The capability includes 2 dedicated lines for ODF formulations at Hyderabad facility to cater Domestic and ROW market and state-of-the-art manufacturing facility to develop and manufacture novel tech-based products at Bengaluru facility for global markets.

Biologics now constitute about 27% of prescription pharma sales, while biologics share within the top 100 drugs is ~50% showcasing the effectiveness of these drugs. The target markets are – oncology, autoimmune disorders, haematology and diabetes. Within this, biosimilars opportunity is the next growth driver for the generic market. Shilpa Medicare Ltd, through its Biologics Research & Development centre in Hubli-Dharwad area is well poised to tap into this opportunity.

**Strategy - 4****CONTRACT DEVELOPMENT AND MANUFACTURING**

SML's expertise in Complex Chemistry, High Potent API, Peptide, Polymer, Formulations, Biologics make the Company a partner of choice in CDMO segment

The increasing outsourcing trend in pharmaceutical and biotech Industry demonstrate the success of CDMOs. SML has a vision to serve its Innovator and Generic customers from early development to cGMP manufacturing support, mainly to support new chemical entities development and cGMP supplies for clinical and commercial applications. SML possesses in-house credentials in HPAPI, Peptide, Polymers, Formulations (Oral, liquid, Parenteral, Topical etc.) and Biologics areas. SML HPAPI facility is a world-class one of the best developments and manufacturing facility for highly potent and such other niche molecules. It can handle molecules up to containment level five. The facility is audited and approved by various global regulatory agencies. SML integrated supply chain and in-house capabilities are well poised to solve toughest problems for Pharma, Bio-Pharma, Biotech and non-Pharma customers. Shilpa's expertise in complex Chemistry, High Potent API, Peptide, Polymer, Formulations, Biologics make us a partner of choice in CDMO market place.

SML has proven credentials in successful CDMO operations in past, supporting various global programs, in next 3 years' time span, we aspire to establish SML as global CDMO brand for:

- ➔ Integrated, one stop CMC solutions for preclinical, clinical and commercial outsourcing services of both Drug Substance and Drug Product for Small Molecules and Biologicals.
- ➔ Complex API and high potent API solutions to Innovator Pharma and Biotech companies.
- ➔ Specialized Chemistry one stop solutions from development to cGMP supplies for Solid Phase Peptide Synthesis, Polymers, Flow Chemistry.
- ➔ Integrated and standalone services to ADC and Pegylation customers for Chemistry (payload, linker, Bio-conjugation), Biology and Formulations.
- ➔ Standalone Formulation solutions to Innovators and Generic Pharma in Novel therapeutics, 505(b)2, NDDS, Complex injectable, OSD, Transdermal and oral suspension areas.
- ➔ Integrated, end to end solutions to Biologics Customers in Biosimilars, Novel Biologics, Vaccines, Gene and Cell therapies areas.

BOARD OF DIRECTORS



Mr. Omprakash Inani
Chairman



Mr. Vishnukant Chaturbhuj Bhutada
Managing Director



Mr. Sharath Reddy
Whole Time Director



Mr. Pramod Badrinarayan Kasat
Independent Director



Mr. Rajender Sunki Reddy
Independent Director



Ms. Sirisha Chintapalli
Independent Woman Director



Mr. Piyush Goenka
Independent Director



Mr. Naresh Patwari
Non-Executive Director

1 Omprakash Inani Chairman

Mr. Omprakash Inani has more than 30 years of business experience. He monitors business and functional aspects of the Company along with the operations of all the plants. He is also a Council Member in "Academy of Medical Education, Dental College & V.L. College of Pharmacy", "Taranath Shikshana Samsthe, Raichur" and a trustee in "Akhil Bhartiya Maheshwari Education Trust, Pune". He is also Managing Committee Member of "Karnataka State Cotton Association.

2 Vishnukant Chaturbhuj Bhutada Managing Director

Mr. Vishnukant C. Bhutada holds Bachelor's Degree in Pharmacy and has 32 years of experience in the Pharmaceutical Industry. He is one of the founder member of Shilpa Medicare Limited and the main guiding force behind the progress of Shilpa Medicare Limited. His analytical vision and splendid knowledge of not only domestic but also international medicare market made this Company one of the biggest exporter of specialized medical ingredients and medicines. Meteoric rise of this Company and success is hugely attributed to him.

3 Sharath Reddy Whole Time Director

Kalakota Sharatha Reddy is a PG in Pharmacy from BITS, Pilani. He obtained his bachelor's degree from Raichur, Gulbarga University. He joined Shilpa Medicare Limited in 1991 and is having an enriched experience in API manufacturing, operations & execution of greenfield & brownfield projects, quality and projects.

4 Pramod Badrinarayan Kasat Independent Director

Mr. Pramod Kasat, a veteran in Indian financial services industry, holds an Engineering Degree from BITS Pilani and a Master's in Finance from Sydenham Institute of Management Studies, Mumbai University. He is currently the Managing Director of Intellectap Advisory Services. His previous stint includes senior positions related to capital market and investment banking in IndusInd Bank, Pioneer Investcorp Ltd. (PINC) and Credit Suisse, Deautche Bank, Citibank NA.

5 Rajender Sunki Reddy Independent Director

A PG in Pharma, started his career as a lecturer of Rural College of Pharmacy, Devanhally and served as its Principal. Under his stewardship, several institutions of Medical, Para-Medical, Dental, Pharmacy, Nursing, Physiotherapy and host of other institutions were equipped with modern facilities. He is a member of several associations and a Syndicate Member of Rajiv Gandhi University of Health Sciences, Bangalore.

6 Sirisha Chintapalli Independent Woman Director

Ms. Sirisha Chintapalli is an Associate Member of The Institute of Company Secretaries of India and also an Associate Member of The Institute of Cost Accountants of India and a Semi Qualified CA from The Institute of Chartered Accountants of India. She is a member in the Managing Committee of Hyderabad Chapter of The Institute of Cost Accountants of India from 2019. She has experience of associating with L&T Shipbuilding Limited, Chennai and International Seaport Dredging Limited, Chennai and CCL Products (India) Ltd, Hyderabad. She is also a registered Insolvency Professional from IBBI.

7 Piyush Goenka Independent Director

Mr. Piyush Goenka has more than 20 years of experience in Private Equity investing and other financial services. He is currently a partner at an independent mid-market Private Equity Fund Manager, which manages over USD 200 million across two funds. He is responsible for making investments across a bunch of sectors and has led most of the Fund's investments in consumer, pharmaceuticals and financial services. By qualification, he is an MBA and CFA.

8 Naresh Patwari Non-Executive Director

Mr. Naresh Patwari, holds a Bachelor's Degree in Mechanical Engineering from the IIT Kharagpur and a Master's Degree in Business Administration from the Tuck School of Business at Dartmouth College, United States. He is currently employed with TA Associates Advisory as a Director. He was previously employed with Schlumberger, McKinsey & Company and ICICI Venture.

CORPORATE INFORMATION

Board of Directors

Mr. Omprakash Inani - Chairman
Mr. Vishnukant C. Bhutada – Managing Director
Mr. Sharath Reddy Kalakota – Whole Time Director
Mr. Pramod Kasat – Independent Director
Mr. Rajender Sunki Reddy – Independent Director
Mr. Naresh Patwari - Non-Executive Director
Mr. Amit Chander – Independent Director¹
Ms. Sirisha Chintapalli – Independent Woman Director
Mr. Piyush Goenka – Independent Director

¹ Ceased to be a Director w.e.f 02nd October, 2020.

Board Committees

Audit Committee

Mr. Rajender Sunki Reddy – Chairman
Mr. Omprakash Inani – Member
Mr. Pramod Kasat – Member

Nomination and Remuneration Committee

Mr. Pramod Kasat – Chairman
Mr. Omprakash Inani – Member
Ms. Sirisha Chintapalli – Member

Stakeholders' Relationship Committee

Mr. Omprakash Inani - Chairman
Mr. Vishnukant C. Bhutada - Member
Mr. Rajender Sunki Reddy - Member

Corporate Social Responsibility Committee

Mr. Rajender Sunki Reddy - Chairman
Mr. Omprakash Inani - Member
Mr. Vishnukant C. Bhutada – Member

Risk Management Committee

Mr. Vishnukant C. Bhutada - Chairman
Mr. Pramod Kasat - Member
Mr. Sharath Reddy Kalakota – Member

Chief Financial Officer & Compliance Officer

Chief Financial Officer

Mr. Sushil Bajaj*

* Resigned w.e.f 20th January, 2021.

Chief Financial Officer

Mr. Alpesh Dalal[§]

[§] Appointed w.e.f 31st May, 2021.

Company Secretary & Compliance Officer

Mr. V.V. Krishna Chaitanya

Secretarial Auditors

VCAN & Associates.

Company Secretaries

104, 8-3-969/1, Triveni Apartments, Srinagar Colony,
Hyderabad, Telangana - 500073, India

Statutory Auditors

Brahmayya & Co.,

Chartered Accountants

#403 & 404, Golden Green Apartments,
Irrum Manzil Colony,
Hyderabad - 500 082.
Telangana, India - 500 082

Internal Auditors

M. Bhaskara Rao & Co.,

Chartered Accountants

6-3-652, 5th Floor,
Kautilya, Somajiguda,
Hyderabad - 500 082, India

Cost Auditors

V.J. Talati & Co

602, Silver Matrurabha Building, Cama Lane
Kirod Road, Ghatkopar (West), Mumbai, India

Bankers

Standard Chartered Bank Ltd
The HSBC Limited
CITI Bank
State Bank of India
Axis Bank Ltd
HDFC Bank

Registrar and Share Transfer Agent

M/s. Kfin Technologies Private Limited

(Formerly known as M/s. Karvy
Computershare Private Limited),
Karvy Selenium Tower B, Plot No. 31
& 32 Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Telangana, India - 500 032

Registered Office

12-6-214/A-1,
Shilpa House Hyderabad Road
Raichur – 584 135 Karnataka, India
Phone: 08532-238704
Fax: 08532-238876
Email: info@vbshilpa.com
Web: www.vbshilpa.com

Manufacturing and R&D Units

DTA

Plot Nos. 1A, 1B, 2, 2A, 3A to 3E & 4A to 4C, 5A, 5B, Deosugur Industrial Area, Deosugur - 584 170, Raichur District, Karnataka, India

100% EOU and R&D

33-33A, 40-47, Raichur Industrial Growth Center, Wadloor Road, Chicksugur - 584 134, Raichur District, Karnataka, India

SEZ Unit

Plot No. S-20 to S-26, Pharma SEZ TSIIIC Green Industrial Park, Polleppally Village, Jadcherla Mandal, Dist - Mahabubnagar - 509 301, Telangana, India

Bangalore Unit (Manufacturing and R&D)

Plot No. 29 A5, 4th Phase (Awerahalli) Sompura, Industrial Area, Honnenahalli Village, Dobaspet, Nelamangala, Bangalore Rural - 562 111, Karnataka, India

Quality Control and Bio Analytical Division:

01st and 02nd Floor, Plot No. 79, Road No. 15, Survey No. 125, IDA Mallapur, Nacharam, Uppal Mandal Medchal, Malkajgiri Dist - 500 076, Hyderabad, Telangana, India

Biologicals Unit:

Plot No: 531, 532 (A), KIADB, Belur Industrial Area, Dharwad - 580011, Karnataka

Therapeutics Unit:

Plot No. 118, IDA, Phase III, Cherlapally, Hyderabad - 500051, Telangana

Unit Under Construction:

Plot No: 286, 287 & 288, Kadechur Industrial Area, Yadgir, Kadechur - 585221, India.

Raichur R&D

Plot Nos. 33-33A, 40 to 47, Raichur Industrial Growth Centre, Wadloor Road, Chiksugur Cross, Chiksugur-584134, Raichur, India

FTF Pharma Pvt. Ltd. R&D

Block No: 193(Part) + 211 (Part), Xcelon Industrial Park, Chak-de India Weigh Bridge Road, Vasana Chacharwadi, Tal: Sanand; Ahmedabad, Gujarath -382213, India

Sravathi R&D

113/40, 1st Floor, 2nd Main Road, Rajajinagar Industrial Town, Bengaluru, KARNATAKA - 560010, India

Subsidiaries (India)

INM Technologies Private Limited
Shilpa Therapeutics Private Limited
INM Nuvent Paints Private Limited (Step-Down Subsidiary)
Shilpa Biocare Private Limited
Shilpa Biologicals Private Limited.
Shilpa Corporate Holdings Private Limited.
Shilpa Lifesciences Private Limited
Vegil Labs Private Limited
FTF Pharma Private Limited.

Joint Ventures

Sravathi Advance Process Technologies Private Limited.
Reva Medicare Private Limited
Sravathi AI Technology Private Limited.

Associate Companies & Investment Entity

Reva Pharmachem Private Limited.
Maia Pharmaceuticals Inc.
Auxilla Pharmaceuticals And Research LLP (Investment Entity)

Foreign Subsidiaries

Makindus Inc, U.S.A
Koanaa Healthcare Limited, UK
Koanaa Healthcare GmbH, Austria
Loba Feinchemie GmbH, Austria (Step-Down Subsidiary)^
Shilpa Pharma Inc., U.S.A
Koanaa Healthcare Spain,
Koanaa Healthcare, Canada
Zatortia Holdings Limited
Koanaa International FZ LLC, Dubai
Indo Biotech SDN BHD, Malaysia
^ Ceased to step down subsidiary w.e.f 31st March, 2021

CIN: L85110KA1987PLC008739

CORPORATE SOCIAL RESPONSIBILITY

Shilpa Medicare Ltd's approach to social responsibility is aimed at providing holistic social and environmental services in its areas of operations. Key social and environment initiatives during the year covers healthcare, environment, drinking water and education.



COVID-19:

2020 was a year of economic and human life disruptions due to Covid 19. Shilpa Foundation's initiatives to combat the spread of virus and helping those economically impacted are as follows:

- Grocery distribution to frontline workers ,under privileged and daily wages earners
- Oxygen Concentrator to Government and Private hospitals
- Distributed with Mask, steam inhaler / Vaporizer Etc. to the under privilege families in the rural area to minimize the Covid. Effect

Water Conservation :

Karnataka state has been facing severe droughts since last many years. The scarcity and unavailability of water aggravated the condition of farmers and pushed them into difficulties as the crops were damaged fully or partially resulting in depleting income.

Shilpa Medicare Limited along with Bharati Jain Sanghatan, Pune – a nonprofit organization along with the district administration conducted feasibility assessment surveys in the districts of Raichur and Yadagiri. Water bodies for a total of 300-400 acres with an approximate water capacity of 3000+ million liters were restored. The work was executed in 42 villagers and with over 5450 farmers benefited.

Site visit by Vishnukant Bhutada, Managing Director of Shilpa Medicare Limited with Team BSJ.

Community Infrastructure:

'Shilpa Foundation as part of the Swaachh Bharat Abhiyan constructed 16 public toilets in Zaheerabad, Raichur District.

Empowering through Education:

In collaboration with a NGO to provide educational aids to the underprivileged, the Company provided TABS to meritorious students.



Environment :

With "GREEN RAICHUR" initiative with an NGO 14900 saplings were planted in RAICHUR' district. The cumulative plantation over the 4 years is about 48000. The condition of these saplings and growth are being continuously monitored and maintained.

ENVIRONMENT

SML aims to achieve the highest standards of environmental performance in the interest of its stakeholders including our employees, communities living around our facilities, and the natural ecology around our facilities.

To achieve our environment goal the Company has integrated economic, environment and societal aspects into its business strategy for our business model to be sustainable.

201,963 ^{KWh/Year}
Energy Saved through modernization

ENVIRONMENT & ENERGY HIGHLIGHTS



Effluent Treatment

All our plants & facilities are equipped with zero discharge effluent treatment plant and continuously monitor & improve operations.



Water

We use recycled treated waste water & reduced fresh water consumption by 40%.



Green Chemistry

We have invested in developing green chemistry to reduce waste generation & develop clean & efficient processes wherever possible.

Recycle /Reuse

We segregate effluents to generate the solid waste usable by other industries, thereby reducing the solid waste disposal to the TSDF.



Renewable Energy

Renewable Fuels- Biomass Briquettes, Rice Husk is used for its steam requirements in all the sites; The Company has invested in wind power for generation of Clean Energy Registered its Biomass Based steam Generation Project with UNFCCC Clean Development Mechanism under Kyoto Protocol Project Reference No: 3296 & reducing the GHG emission reductions.

The Company is using electrical energy from Renewable Wind Energy –from its own wind mills & is using 42.05 lakh Units per annum for its energy requirements at Raichur units, The value is about Rs.3.36 Crores , on wheeling basis . Apart from this the Company through its wind mills has Generated 6208042 units , has given this clean energy to the Grid for usage, & contributed to the environment by reducing the green house gases.

AWARDS



Management Discussion & Analysis

GLOBAL PHARMA SECTOR IN CY20

Active Pharma Ingredients

The global API market size was valued around USD 190 billion in 2020 and is expected to expand at a CAGR 6.6% from 2021 to 2028. The growth is driven by the advancements in active pharmaceutical ingredient (API) manufacturing and the rising prevalence of chronic diseases, such as cardiovascular diseases and cancer. Favorable government policies for API production across the world along with changes in geopolitical situations, are boosting the market growth. The API market is undergoing immense changes due to supply chain disruption by COVID-19. Countries such as India are being preferred over China for the export of API owing to geopolitical situations and the demand to reduce dependence on China for API products. Furthermore, governments of many countries have formulated plans and granted incentives to promote the production of API.

The company is a major player in the therapeutic areas of Oncology and with respect to product diversification the company has expanded into Transdermal Patches, Oral Dissolving Films

Global Oncology Market

According to a report from Research & Markets, the global cancer drugs market is expected to have declined from \$84.4 billion in 2019 to \$75.5 billion in 2020, with the COVID-19 outbreak unsurprisingly cited as the chief cause. According to another report by the prnewswire.com The global oncology drugs market is expected to grow from \$80.92 billion in 2020 to \$84.38 billion in 2021 at a compound annual growth rate (CAGR) of 4.3%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$112.14 billion in 2025 at a CAGR of 7%. North America was the largest region in the global oncology drugs market, accounting for 35% of the market in 2020. Asia Pacific was the second largest region accounting for 35% of the global oncology drugs market. Africa was the smallest region in the global oncology drugs market. The global oncology drugs market size was valued at USD 141.33 billion in 2019 and is projected to reach USD 394.24 billion by 2027, exhibiting a CAGR of 11.6% during the forecast period. Oncology is a key driver for the growth of the pharmaceutical industry.

Transdermal Patches

The transdermal patch market is associated with the development of a medicated patch that can get placed on the skin for the delivery of specific dose of drug or medication through the skin into the bloodstream of the patient. Further, this mode of treatment provides and promotes healing to the injured area of the body. There are several advantages that are associated with the transdermal drug delivery route over oral or intravenous mode of delivery is that it provides controlled release mode of medication to the patient, generally through body heat. According to various online reports Global Transdermal Skin Patch Market Sales Size Opportunity To Reach US\$ 20 Billion By 2026 With 100 Skin Patches In Clinical Pipeline Trials.

Oral Dissolving Films

Oral thin films or orally dissolving films (ODFs) provide quick release of an active pharmaceutical ingredient (API) when placed on the tongue.... These dosage forms are placed on a patient's tongue or any oral mucosal tissue. When wet by saliva, the film rapidly hydrates and adheres onto the site of application.

INDIAN PHARMA SECTOR

India is the major force in the global pharma sector. Over 50% of the global demand for various vaccines, 40% of the generic demand for US and 25% of all medicines for UK are supplied from India. India contributes the second-largest share of pharmaceutical and biotech workforce in the world. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 41 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030.

Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units.

Medical devices industry in India has been growing 15.2% annually and is expected to reach US\$ 8.16 billion by 2020 and US\$ 25 billion by 2025.

'Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The Indian drugs and pharmaceuticals sector has received cumulative FDI inflows worth US\$ 17.75 billion between April 2000 and December 2020.

To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of ₹ 6,940 crore (US\$ 951.27 million) from FY21 to FY30.

Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated ₹ 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated ₹ 2,663 crore (US\$ 365.68 billion). The government allocated ₹ 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM Aatmanirbhar Swasth Bharat Yojana was allocated ₹ 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated ₹ 2,970 crore (US\$ 407.84 million), up from ₹ 2,122 crore (US\$ 291.39 million).

India plans to set up a nearly ₹ 1 lakh crore (US\$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

Report courtesy; IBEF

Exports

Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US\$ 16.28 billion in FY20. India's drugs and pharmaceuticals exports stood at US\$ 22.15 billion in FY21 (until February 2021).

India's pharmaceutical exports has increased 18.7 per cent to US\$ 24.44 billion in the financial year ended March 31, 2021 due to a big surge in demand for Indian made generics owing to its quality and affordability. When the global pharma market has decreased by 1-2 per cent in 2020, the industry posted its best export performance in value terms due to an increase

in demand for Indian drugs. Drug formulations & biologicals is the second largest principal commodity being exported by India. Export during fiscal year 2020 was US\$ 20.58 billion with a growth rate of 7.57 per cent.

The exports witnessed the highest growth in March, 21 i.e US\$2.3 billion as against 1.54 billion in March, 20, an year on year growth of 48.5%.

North America is the largest exporting region for Indian pharmaceuticals with more than 34 per cent share. Exports to USA, Canada and Mexico have recorded growth of 12.6 per cent, 30 per cent and 21.4 per cent respectively. Export to Africa has relatively gone up with 13.4 per cent as against last year's growth of 2.24 per cent. South Africa being the second largest exporting country, recorded a big jump of 28 per cent growth. Nigeria, Kenya, Tanzania are the other major destinations in Africa.

Europe is the third largest exporting region which has recorded approximately 11 per cent growth.

There is also a growing demand for Indian drugs in non-traditional markets viz Latin America (14.5 per cent growth), CIS (23.5 per cent growth) and Middle East (17.5 per cent growth).

The growth rates were observed in exports to unexplored countries like Australia (21 per cent) UAE (43 per cent), Uzbekistan (125 per cent) and Ukraine (40.6 per cent).

REVIEW OF FINANCIAL PERFORMANCE

On a consolidated basis our revenue during the reported year is ₹ 93,127 Lakhs as against ₹ 92,485 in FY20. Despite challenges the topline from API and formulations business improved 10% and 30% year on year. The overall revenue was primarily impacted due to the dip in the product license fee. EBITDA for the period is ₹ 21,179 as against ₹ 23,673 lakhs in FY20. PAT is ₹ 14,778 lakhs as against ₹ 15,615 lakhs. The margins were impacted as an upshot of topline impact and increased capital expenses to build our tangible and intangible assets and on account of increased financial cost, and tax expenses.

Particulars	2020-21	2019-20	% change	Explanations for material change
Debtors turnover ratio	3.80	3.56	6%	
Inventory turnover ratio	2.78	3.91	-29%	
Interest coverage ratio	15.63	54.78	-250%	There is significant changes in the interest coverage ratio on account of change in ROI due to inter changeable from PCFC to WCDL and on incremental WCDL. Additional Long term loans availed from banks to meet on going / new project to enhance production capacity.
Current Ratio	1.67	2.52	-34%	Decrease in ratio is on account of slump sale consideration receivable from its 100% subsidiary Shilpa Biologcals Pvt. Ltd. in FY 2019-20 realised in FY 2020-21.
Debt Equity ratio	0.40	0.26	52%	(i) Additional working capital has been availed from Bank to fulfill working capital requirement of the Business. (ii) Additional long term loans availed from banks to meet on going / new project to enhance production capacity.
Operating profit margin (%)	32.88%	29.42%	12%	
Net profit margin (%)	21.34%	23.56%	-9%	
Return on net worth	11.26%	13.25%	-15%	

REVIEW OF OPERATIONS – KEY DEVELOPMENTS IN FY21

ACTIVE PHARMA INGREDIENTS

- During the year under review, Tranexamic acid (Non-Oncology Product) manufacturing Plant is modified & also expanded from 5.5 MT to 15 MT/month.
- Non-Oncology Product called Ambroxol capacity expanded from 10.0MT -22.0 MT/month.
- Debottlenecking underway/completed for all the blocks & created double Bay/2 line in 2 manufacturing Onco Blocks which is helping to have multiple Products at a time with dedicated entry/exit.
- Facility utilization is improved by providing Carbon Facility separately.
- New segments in API Facility like Peptide segment were R&D and manufacturing blocks are made separately
- Scaling up of Polymer R&D & one GMP facility is created in facility.

R&D – API

The Shilpa Medicare R&D centre in Raichur has shown good progress in terms of new projects taken for development and the projects which were successfully transferred to plant. The Raichur API team has delivered 8 projects successfully and taken trial/validation at plant scale and taken up 25 new projects for process development of Oncology and non-Oncology molecule.

For environmental protection, we have introduced bipolar

membrane technique to remove the ionic impurities from the drug substance during purification.

FORMULATIONS FACILITY

For USFDA, currently the facility is under Import Alert, however, USFDA has exempted three products from the Import Alert. Unit 4 is distributing these three products (Azacitidine for Injection, Erlotinib Capsules and Cyclophosphamide Capsules), in the US market.

The company is Working with FDA to resolve the matter in timely manner. Remediation measures are going on. Working with three USFDA consultants. Supplies to Europe are going on uninterrupted

FORMULATIONS - DOMESTIC MARKET

The company has entered Indian Pharma Market in November 20 with a range of brands introduced in Gastrointestinal, Vitamins, Mineral, Nutrients, Gynaecology, orthopaedics, Urology, paediatrics segment etc. as first set of brands.

Branded domestic market in Acute segment is showing improve trend in last quarter of FY 2021.

IPM has witnessed recent surge in sales and demand in the segment specially GI overall oral and injectable antibiotics, Pain killers, Antipyretics, Multi vitamins, minerals, etc. and many more.

IPM has also witnessed slowdown of chronic care especially Diabetic, CV segment, Derma, Ophtho and Dental care section in specific.

FORMULATIONS _ FY22 AND BEYOND

As an organization we would like to introduce many new products in coming month in F.Y. 2022 and so on. The Oncology segment is current in stress due to almost nil IPD and injectable range as well as follow up with oral therapy after chemo is reduced considerable due to last year COVID pandemic which still is persisting at large thus market will take time to revive.

The company is in the process of expanding domestic market through exclusive Rx route and phase wise entry in OTX market with women care products and various other segment which are expected to contribute to the revenue in FY22 and beyond.

FORMULATIONS R&D

Shilpa Medicare has commissioned the State of Art Centralized Finished Dosages R&D Centre at Dabaspeta near Bangalore. The R&D Centre is involved in development of Oncology and Non-Oncology Injectable formulation and oral formulations. R&D also develops Transdermal patch and topical preparations Ophthalmic formulations and Orally Disintegrating Film formulation.

R&D Centre is well equipped for development of novel formulations, Generics, Complex Generics and value added dosage forms involving Nano and Micro technologies like Liposomes, nano particles and specialty products.

On Analytical front, the R&D is equipped with state of the art instruments to evaluate the all kinds of dosage forms. State of the Art infrastructure is built for Extractable & Leachable studies for relevant products. Facility is capable of carrying out analytical method validations for both in - house & customer products. Analytical R&D has capabilities of characterization of API, impurities, excipients and packing components.

The new Research and Development Centre is one point stop to customers for Product Development, can cater the product development along with analytical method development for finished product, analytical method validation, stability studies, characterization of impurities, evaluating extractable & leachable for packing components.

Process Development Lab meeting the cGMP requirement for manufacture scale-up batches to optimize the process variables and to manufacture of clinical batches is in place and ready for execution.

New Research and Development Centre can as CRO for Non-Onco products along with analytical support and for CRAMS for Oncology portfolio of customers.

BIOLOGICALS

The biosimilar programs remain on track and our first biosimilar product is expected to be commercialized in the coming financial year.

The company readying itself to manufacture at least one of the Covid vaccines that are likely to be commercialized in the near term.

The company's single use manufacturing facility, coupled with very strong R&D backing in the area will help integrate vertically in biopharmaceuticals – conventional MABs as well as in cell/gene therapies.

The company expects strong international partnerships in biologics over the next 1-2 years, to drive the business in regulated markets with the development and manufacturing from our site in Belur.

Opportunity in RoW markets – The company is in the process of establishing partnerships with leading pharmaceutical players for Biosimilars across different geographies. Apart from this, your company is targeting co-development partnerships with global startups - which helps in expanding your company's footprint globally.

The company is progressing one of its biologics into Human Clinical Trials designated as a New Biological Entity (NBE). This is expected to be major revenue driver from 2022-23 onwards – both, through direct sales and licensing opportunities for the company.

The same molecule is also being targeted at the excipient markets where test marketing of the molecule has commenced and expected to see fruition in 2021-22.

SBPL now has 8 Biosimilars and one New Biological Entity in its pipeline and is dominated by drugs catering to the autoimmune disorders and oncology segments, with 6 of the top 10 biologics in its pipeline. The remaining are niche, high margin opportunities catering to high unmet clinical needs.

Your company is forging ahead with clinical trials on 1 no's MAB, 1 no's fusion protein and 1 no's NBE, while 3 others are expected to complete preclinical studies. The combined market size of these three drugs today is about \$30 billion. 2 more are expected to be added in the next financial year to the Clinical trial pipeline, with market size of about \$17 billion.

CONTRACT MANUFACTURING

The company has a vision to serve it's Innovator and Generic customers from early development to cGMP manufacturing support, mainly to support new chemical entities development and cGMP supplies for clinical and commercial applications. SML possesses in-house credentials in HPAPI, Peptide, Polymers, Formulations (Oral, liquid, Parenteral, Topical etc.) and Biologics areas. SML HPAPI facility is a world-class one of the best developments and manufacturing facility for highly potent and such other niche molecules. It can handle molecules up to containment level five. The facility is audited and approved by various global regulatory agencies. SML integrated supply chain and in-house capabilities are well

poised to solve toughest problems for Pharma, Bio-Pharma, Biotech and non-Pharma customers. Our expertise in complex Chemistry, High Potent API, Peptide, Polymer, Formulations, Biologics make us a partner of choice in CDMO market place.

While market is expected to grow with double digit growth in niche CDMO space, SML aspire to register a very high growth in CDMO business, expected to grow with high double-digit growth.

CDMO Credentials:

- SML has proven credentials in successful CDMO operations in past, supporting various global programs, in next 3 years' time span, we aspire to establish SML as global CDMO brand for-
- Integrated, one stop CMC solutions for preclinical, clinical and commercial outsourcing services of both Drug Substance and Drug Product for Small Molecules and Biologicals.
- Complex API and high potent API solutions to Innovator Pharma and Biotech companies.
- Specialized Chemistry one stop solutions from development to cGMP supplies for Solid phase peptide synthesis, Polymers, Flow Chemistry.

- Integrated and standalone services to ADC and Pegylation customers for Chemistry (payload, linker, Bio-conjugation), Biology and Formulations.
- Standalone Formulation solutions to Innovators and Generic Pharma in Novel therapeutics, 505(b)2, NDDS, Complex injectable, OSD, Transdermal and oral suspension areas.
- Integrated, end to end solutions to Biologics Customers in Biosimilars, Novel Biologics, Vaccines, Gene and Cell therapies areas.

INTELLECTUAL PROPERTY MANAGEMENT

- In FY 20-21, Shilpa filed one NDA and settled the litigation.
- Settled one litigation during FY 20-21 and succeeded in litigation related Dimethyl fumarate DR capsules at District court of Delaware.
- SML and its group companies have filed 56 patent applications taking the cumulative total to 413 patent applications in India and other countries.
- The company received grants for 19 patents during FY 20-21.
- Additionally, 49 patent applications have been acquired from FTF Pharma.

REGULATORY FILINGS SUMMARY

API					
Particulars	Filed in 2020-21	Cumulative Filed	Status	Planning to file in 2021-22	Remarks
US DMF	4 Numbers	40 Numbers	All CA listed	3 Numbers	-
CEP-EDQM	No new CEPs Were Filed in FY 2020-21	16 Numbers	13 CEP Approved 3 CEPs under review	2 Numbers	-
EDMF	12 Numbers	-	All procedures are under review	5 Numbers	-
Formulation					
Particulars	Filed in 2020-21	Cumulative Filed	Status	Planning to file in 2021-22	Remarks
US Submissions	1 New Submission 3 transfers to Shilpa	25 Submissions	10 - Final approvals 3 - Tentative approvals 12 - Under assessment	8 Submissions	Apremilast Tablets 10 mg, 20 mg and 30 mg - Tentative approval Pemetrexed Injection (Ready to Use) – New NDA submission. Docetaxel Injection (non-alcohol formula) approved NDA transfer to Shilpa.
EU Submissions	03 New Submission	20 Submissions	15 - Final approvals 05 - Under assessment	19 Submissions	New submissions: Sunitinib Capsules; Pemetrexed Injection (Ready to Use); Thalidomide Capsules.

Regulatory Inspections and approvals (API units).

In February 2020, two API facilities located at Raichur, Karnataka, i.e. Unit-1: Deosugur Industrial Area, Deosugur, Raichur, Karnataka, India and Unit-2: Raichur Industrial Growth Centre, Chicksugur, Raichur, Karnataka, India, inspected by USFDA. EIR received on April 17, 2020.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has implemented various internal control systems with an object to have reliability of financial reporting, timely feedback of the operations and compliance with laws and regulations. SAP has been set-up for better financial reporting and to have proper checks to plug loopholes in financial leakages. Apart from implementation of various monitoring software systems, several other information and control systems have been implemented to have proper checking and reporting at production, materials and marketing departments.

The Company has internal audit on regular basis to check the proper working of the internal controls and their as their effectiveness. Internal Auditors as part of their regular checking of internal control systems, also identify the risks to plug. Periodically the controls will be evaluated and improved to make systems more effective and efficient.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company currently 2350 has Permanent

employees. During the year under review, various training and development workshops were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The Company has built a competent team to handle challenging assignments. During the year under review, the Company has maintained cordial and harmonious industrial relations.

Opportunities, risks, concerns and threats

It is assumed that the COVID-19 would altogether change the conventional business models forcing the companies to work on new dynamics. The Government's recent decision on promotion of domestic manufacturing of critical APIs and Key Starting Materials shall be good potential for the growth of the pharmaceutical industry. Increased domestic supply shall also help greatly in stabilizing the API prices. The Government has been working to revise the National List of Essential Medicines hoping that it would result in better quality of medical care, better management of medicines and cost-effective use of healthcare resources.

Apart from the general business risks and industry related risks, there would be several other risks such as foreign exchange fluctuations, regulatory policy changes etc. As and when the risk is identified the same will be reviewed at the concerned department level to take necessary steps or will be brought to the notice of management to address the issue.

The Company has a Risk Management Committee to periodically review the risks and report its recommendations to the Board.

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting herewith the 34th Annual Report on the business of your Company together with the Audited Standalone and Consolidated Accounts for the Financial Year ended 31 March, 2021.

FINANCIAL SUMMARY

(All figures are in Rupees in Lakhs)

Particulars	Financial Year 2020-21		Financial Year 2019-20	
	Standalone	Consolidated	Standalone	Consolidated
Operating revenue	83031.59	90113.01	80597.12	90790.98
Other Income	3390.01	3014.16	1126.27	1693.94
Profit before Interest, Depreciation, Tax and after exceptional Items from continuing operations	31385.52	27263.31	25162.59	23673.76
Interest	1746.84	2186.87	432.89	455.76
Depreciation	4084.79	5397.67	3495.73	4377.68
Net profit before tax	25553.88	19678.77	21233.97	18840.32
Provision for taxes				
a. Current tax	4469.86	4523.00	3909.38	3987.24
b. Deferred Tax (Net of MAT Credit)	2644.84	361.83	505.18	-638.06
Profit after tax from continuing operations	18439.17	14793.94	16819.41	15491.14
Profit/(Loss) after tax from discontinued operations	0	0.00	2552.41	0.00
Share of profit/(Loss) in Associates/ Joint Ventures	0	-173.58	0	-35.09
Share of profit/(Loss) in Non-Controlling interest	0	-157.67	0	-159.29
Other comprehensive incomes (expenses)	1.79	27.07	-120.16	-104.55
Total Comprehensive Income	18440.97	14805.11	19251.66	15510.79

REVIEW OF OPERATIONS:

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS:

The Standalone and Consolidated Financial Statements of your Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Further, a statement containing the salient features of the Financial Statements of our subsidiaries pursuant to subsection 3 of Section 129 of the Companies Act, 2013 in the prescribed form AOC-1 is appended as Annexure 5 to the Board's Report. The Statement also provides the details of performance and financial position of each of the subsidiaries.

During the year under review, the Company reported standalone operating revenues of ₹ 83031.59 Lakhs as against ₹ 80597.11 Lakhs and Total Comprehensive Income of

₹ 18440.97 Lakhs as against ₹ 19251.65 Lakhs in the previous year, whereas consolidated gross revenues of ₹ 90,113.01 Lakhs as against ₹ 90,790.98 Lakhs and Total Comprehensive Income of ₹ 14,805.11 Lakhs as against ₹ 15,510.79 Lakhs in the previous year.

The Company registered a growth of over 6 % & decline of 5% on standalone basis and a growth of over 1 % & decline of 5% on consolidated basis in gross income and profit after tax, respectively

With the new product-mix and product lines the Company was able to maintain margins though, there was a pressure on the margins due to shift in the demand of drugs on Covid-19 outburst. Over the period the managements concentration in developing new production technologies and continuous investment therein have slowly started yielding positive results. In view of prolonged regulatory certification issues effecting operational performance the management has actively been

taking steps to expand the market to South American and other non-regulatory markets to neutralize the impact in the long-run

SHILPA MEDICARE API FACILITIES

Shilpa Medicare has two world class State-of-art API manufacturing facilities at Raichur, supported by strong & efficient team of R&D, IPM, Production, Engineering, Quality Control, Quality Assurance & regulatory functions with other supportive functions & well administered Human Resource management. The facilities are cGMP Complaint & approved by many national & international regulatory bodies like USFDA, EU, Cofepris- Mexico, PMDA-Japan, Korean FDA, TPD Canada & TGA-Australia.

The Company is having multiple API's & intermediate manufacturing blocks with segregation of Oncology and Non-Oncology manufacturing facilities. Oncology products are manufactured & handled with highly précised isolators & taking care of people & environment. Blocks designed to handle small scale, medium scale & high-volume scale to handle different levels of Batch size like 500 gm to 350 kg.

The manufacturing facilities are certified by different bodies for management systems of Quality, Safety, Environment & Health like ISO 9001-2015 for Quality system, ISO 14001-2015 for Environment management system, OSHAS 18001-2007 for Occupational Health & Safety System & R&D is certified by DSIR, Govt. of India.

Shilpa is first Company to invest in India on containment technologies for the manufacturing of oncology drug substances in a contained environment & also latest technologies like Bipolar system from Japan to ensure the manufacturing process are sustainable with less consumption of natural resources & safe operations. These types of innovative technologies provide us the sustainable process which are validated & commercialized. This strength provides us the tremendous opportunities to enhance competitive to improve our positions in the market place & also to find the new market.

The company being environmentally conscious all the waste is treated in its ZERO discharge handling facility with all down line supported systems like Stripper, MEE, ATFD, Ficco Facco followed by Biological & RO systems to treat the waste & make it re-usable in applicable places. The company has positioned fractional distillation columns, where solvents from products which requires to purify & separate to get pure material which can be re used, with this all solvents are recycled.

The Company given high level safety importance & designed to train all the employees involved to make them aware about the risk involved, its consequences & mitigations required. All safety requirements of the facility are taken care in design where safety is built in system like Air handling units, rapture disc & safety vents, interlocks, alarms & firefighting systems.

The facility is designed to provide complete utility services & purified water systems. All utilities are designed to provide to support required to manufacture without any interruption. Well-designed coolers are used to support the systems like process cooling & HVAC and also compressed air & nitrogen facility.

Facility is having quality control unit with a capability of method development, method validation & testing of RM, IM & Finished products with all 21 CFR Part11 compliance sophisticated instruments like LCMS, GCMS, ICPMS, XRPD, PSD analyzer, HPLC, GC and all other supportive instruments for testing products with well trained & qualified staff.

Shilpa taken up many expansions in last 1 year, for one of our main and regular product called Tranexamic acid (Non-Oncology Product). Plant is modified & also expanded from 5.5 MT to 15 MT/month.

One of our another main non-Oncology Product called Ambroxol capacity expanded from 10.0MT -22.0 MT/month. Other than this, Shilpa taken up debottlenecking of all the blocks & created double Bay/2 line in 2 manufacturing Onco Blocks which is helping to have multiple Products at a time with dedicated entry/exit. This increases block occupancy & productivity.

Facility utilization is improved by providing Carbon Facility separately where last stage can be handled with put linkage of intermediate block & same time we can take another Product.

Shilpa brought up many other segments in API Facility like Peptide segment were R&D and manufacturing Block is made separately, Polymer R&D is scale up to the big facility & one GMP facility is created in facility.

SHILPA MEDICARE -R&D (API)

Shilpa Medicare views its R&D capabilities as a vital component of its business strategy that will provide a sustainable, long-term competitive advantage. Shilpa Medicare is among the few Indian pharmaceutical companies in India to have started its research program in support of its global ambitions. The R&D environment reflects its commitment to be a leader in the Oncology generics space. Our generics business helps to reduce drug costs for individuals and governments by bringing generic drugs to market as early as possible, and making them available to as many patients as possible. We supply pharmaceutical ingredients to pharmaceutical companies, which contributes to our goal of providing affordable medicine.

We will continue to promote affordability in significant ways and work to expand our product offering of generics, focusing on increasing access to products with significant barriers to entry. We will continue to look for new opportunities to take generics to more patients, in collaboration with other companies.

Our research and development centre offers space for the development of generics meeting international development standards, including difficult to make complex API processes, such as those for Oncology/non-Oncology molecule.

The Shilpa Medicare R&D centre in Raichur has shown good progress in terms of new projects taken for development and the projects which were successfully transferred to plant. The Raichur API team has delivered 8 projects successfully and taken trial/validation at plant scale and taken up 25 new projects for process development of Oncology and non-Oncology molecule.

For environmental protection, we have introduced bipolar membrane technique to remove the ionic impurities from the drug substance during purification.

For further strength of our business strategy to depend less on external customers for supply of starting material and make them in-house to further reduce the cost of existing API to make more cost effective technology. For important projects starting material synthesis in-house initiated and taken some trial at plant/lab scale & some are the under lab development/process optimization.

SHILPA MEDICARE- FINISHED DOSAGE FORMULATION FACILITY

Shilpa Medicare Limited – Finished Dosage Formulation Facility is a state of the art manufacturing and testing facility, engaged in manufacturing and distribution of potent drugs-which includes liquid and lyophilized injectables in vials, Onco sterile dry powder injectables in vials, oral solid dosage form (Tablets and hard gelatine capsules) into various regulated and rest of the world markets, including US and EU. The facility is designed for handling of potent Drug Products (including Oncology products or adjuvant therapies) in a fully contained manner. Facility is designed to handle potent molecules upto OEL 4 level of containment.

The facility is approved by various regulatory agencies including **EUGMP- AGES-Austria, ANVISA, PERU, Argentina, South Africa & MEXICO COFEPRIS, Russia.**

For USFDA, currently the facility is under Import Alert, however, USFDA has exempted three products from the Import Alert. Shilpa Medicare Unit 4 is distributing these three products (Azacitidine for Injection, Erlotinib Capsules and Cyclophosphamide Capsules), in the US market. Working with FDA to resolve the matter in timely manner. Remediation measures are going on. Working with three USFDA consultants. Supplies to Europe are going on uninterrupted!

This facility consists of Oral Solid Block with two commercial scale tablet manufacturing and one commercial scale capsule manufacturing line. There are two blister packing lines and one Bottle filling line.

Three separate Injectable blocks consists of commercial scale manufacturing lines for liquid-lyophilized- powder filled injections.

Fully automatic packaging lines are available for Injectables. Facility for Safe packaging for Onco Injectables is also available.

Serialization (Track and Trace) is in place and implemented for all commercial supplies.

Fully equipped Utility facility which is provided with water system (Pre-treatment and Post treatments for generation and distribution of Purified water/WFI/Pure steam), Chillers, Air compressors, Boilers, Diesel generators, HVAC etc.

All world class process equipment's are provided with 21 CFR part 11 compliant SCADA systems.

Fully equipped chemical testing labs (2 nos.) and microbiology facility are operational with trained and qualified staff.

Commercial presence in regulated, semi regulated and domestic markets in various dosage forms.

Contract Manufacturing

Shilpa Medicare Limited manufactures many products in several types of dosage forms such as tablets, capsules, liquid injection (Aseptically and terminally sterilized), Lyophilized Injectable, Sterile Dry powder injectables.

All products are manufactured under the same stringent quality standards for export to USA, EU, ROW and Domestic market.

Future Expansions

8 Acre Land available for further expansion. Building work is already completed.

FORMULATION R&D

Shilpa Medicare has commissioned the State of Art Centralized Finished Dosages R&D Centre at Dabaspeta near Bangalore. The R&D Centre is involved in development of Oncology and Non-Oncology Injectable formulation and oral formulations. R&D also develops Transdermal patch and topical preparations Ophthalmic formulations and Orally Disintegrating Film formulation.

R&D Centre is well equipped for development of novel formulations, Generics, Complex Generics and value added dosage forms involving Nano and Micro technologies like Liposomes, nano particles and specialty products.

On Analytical front, the R&D is equipped with state of the art instruments to evaluate the all kinds of dosage forms. State of the Art infrastructure is built for Extractable & Leachable studies for relevant products. Facility is capable of carrying out analytical method validations for both in - house & customer products. Analytical R&D has capabilities of characterization of

API, impurities, excipients and packing components.

The new Research and Development Centre is one point stop to customers for Product Development, can cater the product development along with analytical method development for finished product, analytical method validation, stability studies, characterization of impurities, evaluating extractable & leachable for packing components.

Process Development Lab meeting the cGMP requirement for manufacture scale-up batches to optimize the process variables and to manufacture of clinical batches is in place and ready for execution.

New Research and Development Centre can as CRO for Non-Onco products along with analytical support and for CRAMS for Oncology portfolio of customers.

INTELLECTUAL PROPERTY MANAGEMENT (IPM)

Shilpa's success depends on the Company's ability to secure patents, protect the proprietary information and operate without infringing on the others' intellectual property rights.

Shilpa Medicare Limited Intellectual Property Management (IPM) team is responsible for building Shilpa's global generic product pipeline and 505(b)2 NDA pipeline as well as creating, managing and protecting its high value patent estate. Shilpa has a dedicated IPM Team which provides stage wise IP-clearances during product/process development activities and also provides frequent updates and alerts on relevant IP (patent, trademark etc) to R&D scientists for products/process and suggests remedial measures to deal with IP issues. Shilpa IPM team is involved in product selection activity to ensure that right products are selected for development. Shilpa's IPM team continues to build its future pipeline of complex products with an established robust portfolio selection process, providing early launch opportunities with intellectual property advantages.

Shilpa's strengths, across various molecules including oral, Injectable and complex differentiated products, biologics, lie in developing intellectual property in non-infringing processes and resolving complex chemistry challenges. The API Process development is focused for developing and transferring commercially viable, non-infringing and patentable novel API technologies. The development grid selection for API's is based on difficult-to-make API molecules and novel polymorphic forms of certain API's for creating value addition.

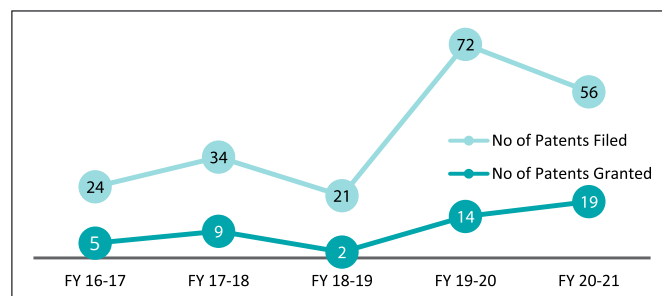
Shilpa's IPM Team is involved in patenting of new products, processes, methods of use, drug delivery systems and medical devices in India, US, EU and other countries with significant market value.

Highlights FY 20-21:

In FY 20-21, Shilpa filed one NDA and settled the litigation.

Shilpa settled one litigation during FY 20-21 and succeeded in litigation related Dimethyl fumarate DR capsules at District court of Delaware.

Shilpa is committed to enhance our product profile by strengthening our intellectual property. Our patent portfolio is testament to our commitment. In FY 20-21, Shilpa and its group companies have filed 56 patent applications taking the cumulative total to 413 patent applications in India and other countries. Shilpa received grants for 19 patents during FY 20-21. Additionally, 49 patent applications have been acquired from FTF Pharma.



REGULATORY FILINGS SUMMARY

API					
Particulars	Filed in 2020-21	Cumulative Filed	Status	Planning to file in 2021-22	Remarks
US DMF	4 Numbers	40 Numbers	All CA listed	3 Numbers	-
CEP-EDQM	No new CEPs Were Filed in FY 2020-21	16 Numbers	13 CEP Approved 3 CEPs under review	2 Numbers	-
EDMF	12 Numbers	-	All procedures are under review	5 Numbers	-
Formulation					
Particulars	Filed in 2020-21	Cumulative Filed	Status	Planning to file In 2021-22	Remarks
US Submissions	1 New Submission 3 transfers to Shilpa	25 Submissions	10 - Final approvals 3 - Tentative approvals 12 - Under assessment	8 Submissions	Apremilast Tablets 10 mg, 20 mg and 30 mg - Tentative approval Pemetrexed Injection (Ready to Use) – New NDA submission. Docetaxel Injection (non-alcohol formula) approved NDA transfer to Shilpa.
EU Submissions	03 New Submission	20 Submissions	15 - Final approvals 05 – Under assessment	19 Submissions	New submissions: Sunitinib Capsules; Pemetrexed Injection (Ready to Use); Thalidomide Capsules.

Regulatory Inspections and approvals (API units).

In February 2020, two API facilities located at Raichur, Karnataka, i.e. Unit-1: Deosugur Industrial Area, Deosugur, Raichur, Karnataka, India and Unit-2: Raichur Industrial Growth Centre, Chicksugur, Raichur, Karnataka, India, inspected by USFDA. EIR received on April 17, 2020.

Shilpa Medicare Limited, Bangalore (Unit-III & Unit-IV)

Transdermal Patches and Oral Film Manufacturing Plant (Unit VI)

A transdermal patch is medicated adhesive patch that is placed on the skin to deliver a specific dose of medication through the skin and into the bloodstream. Transdermal patches have made their place in global market in past few decades as an alternative to conventional therapeutic for various disease indications. Transdermal patches are widely accepted among physicians and patients due to their non-invasive, pain free and easy administration. In recent years, the growth of transdermal patch market has increased and expected to increase significantly in coming years. Higher investments in research and development could be attributed to the success of transdermal patch market.

Similarly, the thin film drugs were recorded with high market acceptance due to its ease of application and high effectiveness. Moreover, developed economies such as the U.S. and countries in Europe recorded significant sale of thin film drugs. Thin film drugs achieve the desired therapeutic results. Therefore, they have gained attention in the market as a potential treatment option.

Looking to the market potential, facility is designed and build a state of art manufacturing facility of Transdermal Patch and Oral Films at Dobaspet, Bangalore. This facility shall cater to Domestic, Regulated and Non Regulated market.

The lay outs confirming to cGMP requirements is finalized along with Utility, Administration and canteen building. The equipment’s are designed to cater both Transdermal Patch and Oral Film Products. A space for future expansion is allocated for capacity increment.

Transdermal Patch and Oral Film Manufacturing Plant status highlights:

- Transdermal Patch and Oral Film Manufacturing Facility Qualification activities completed and execution of filing batches is in the process.

Shilpa Medicare Ltd, Biologics SBU

Background –

The past year witnessed a turmoil in the pharmaceutical markets globally on account of Covid related disruptions in raw materials and logistics. SBPL has largely remained unaffected thus far, owing to significant stocking up of raw materials prior to the disruptions and availability of raw materials from alternate sources.

The biosimilar programs remain largely on track and our first biosimilar product is expected to be commercialized in the coming financial year.

The current ongoing Covid 19 crisis, while being a challenge in the near term for all businesses, is expected to contribute in a meaningful way to Shilpa Group's revenue in the coming Financial year with your company readying itself to manufacture at least one of the Covid vaccines that are likely to be commercialized in the near term. This vaccine is expected to contribute to the country's fight against the virus in the latter half of this financial year.

While the sudden and sporadic nature of the pandemic makes it difficult to forecast the Covid vaccine opportunity in terms of duration and quantum of the revenues, the company views the recombinant vaccine opportunity as a strategic one, with the technology platforms outlasting the pandemic and being relevant over atleast the next 10 years. We intend to make significant investments in building up competencies in the technology platform areas, especially the viral vector platforms.

Opportunity and drivers -

- Opportunity in regulated markets - Our single use manufacturing facility, coupled with very strong R&D backing in the area will help the company integrate vertically in biopharmaceuticals – conventional MABs as well as in cell/gene therapies. Your company expects strong international partnerships in biologics over the next 1-2 years, to drive the business in regulated markets with the development and manufacturing from our site in Belur.
- Opportunity in RoW markets – Your company is in the process of establishing partnerships with leading pharmaceutical players for Biosimilars across different geographies. Apart from this, your company is targeting co-development partnerships with global startups - which helps in expanding your company's footprint globally.
- Your company is progressing one of its biologics into Human Clinical Trials designated as a New Biological Entity (NBE). This is expected to be major revenue driver from 2022-23 onwards – both, through direct sales and licensing opportunities for the company.

The same molecule is also being targeted at the excipient markets where test marketing of the molecule has commenced and expected to see fruition in 2021-22.

SBPL now has 8 Biosimilars and one New Biological Entity in its pipeline and is dominated by drugs catering to the autoimmune disorders and oncology segments, with 6 of the top 10 biologics in its pipeline. The remaining are niche, high margin opportunities catering to high unmet clinical needs.

Your company is forging ahead with clinical trials on 1 no's MAb, 1 no's fusion protein and 1 no's NBE, while 3 others are expected to complete preclinical studies. The combined market size of these three drugs today is about \$30 billion. 2 more are expected to be added in the next financial year to the Clinical trial pipeline, with market size of about \$17 billion.

The vaccine manufacturing opportunity helps us –

- Meaningfully impact the country's fight against Covid-19
- With early revenue generation and helps us develop / enhance competence with novel platform technologies that have the potential to help us leapfrog competition in the emerging areas of gene and cell therapies.

We look forward to a challenging, but exciting year ahead!

Contract development and manufacturing organisations (CDMOs) have established themselves as viable alternatives to the in-house development and manufacturing units of Pharmaceuticals and Biotech companies in recent decades. The increasing outsourcing trend in pharmaceutical and Biotech Industry demonstrate the success of this business model. CDMOs are increasingly becoming the integral part of Pharma value chain.

SML has a vision to serve it's Innovator and Generic customers from early development to cGMP manufacturing support, mainly to support new chemical entities development and cGMP supplies for clinical and commercial applications. SML possesses in-house credentials in HPAPI, Peptide, Polymers, Formulations (Oral, liquid, Parenteral, Topical etc.) and Biologics areas. SML HPAPI facility is a world-class one of the best developments and manufacturing facility for highly potent and such other niche molecules. It can handle molecules up to containment level five. The facility is audited and approved by various global regulatory agencies. SML integrated supply chain and in-house capabilities are well poised to solve toughest problems for Pharma, Bio-Pharma, Biotech and non-Pharma customers. Our expertise in complex Chemistry, High Potent API, Peptide, Polymer, Formulations, Biologics make us a partner of choice in CDMO market place.

While market is expected to grow with double digit growth in niche CDMO space, SML aspire to register a very high growth in CDMO business, expected to grow with high double-digit growth.

SML has proven credentials in successful CDMO operations in past, supporting various global programs, in next 3 years' time span, we aspire to establish SML as global CDMO brand for-

1. Integrated, one stop CMC solutions for preclinical, clinical and commercial outsourcing services of both Drug Substance and Drug Product for Small Molecules and Biologicals.
2. Complex API and high potent API solutions to Innovator Pharma and Biotech companies.
3. Specialized Chemistry one stop solutions from development to cGMP supplies for Solid phase peptide synthesis, Polymers, Flow Chemistry.
4. Integrated and standalone services to ADC and Pegylation customers for Chemistry (payload, linker, Bio-conjugation), Biology and Formulations.
5. Standalone Formulation solutions to Innovators and Generic Pharma in Novel therapeutics, 505(b)2, NDDS, Complex injectable, OSD, Transdermal and oral suspension areas.
6. Integrated, end to end solutions to Biologics Customers in Biosimilars, Novel Biologics, Vaccines, Gene and Cell therapies areas.

Domestic market overview:

Shilpa Medicare limited has entered in IPM in November 20 with a range of brands introduced in Gastrointestinal, Vitamins, Mineral, Nutrients, Gynaecology, orthopaedics, Urology, paediatrics segment etc. as first set of brands.

Our aim is to provide unique ODF technology advantages to patients/consumers with an ease of administration and better patient compliance experience.

We have started our promotion to Doctor's through a structured field force with promotion of products to Paediatrician, C. Phy, GP, family physician, Orthopaedics, Gynaecologist, Gastroenterologist, Urologist set of doctor's in major cities of India.

As an organization we would like to introduce many new products in coming month in F.Y. 2022 and so on. The Oncology segment is current in stress due to almost nil IPD and injectable range as well as follow up with oral therapy after chemo is reduced considerable due to last year COVID pandemic which still is persisting at large thus market will take time to revive.

Branded domestic market in Acute segment is showing improve trend in last quarter of FY 2021.

IPM has witnessed recent surge in sales and demand in the segment specially GI overall oral and injectable antibiotics, Pain killers, Antipyretics, Multi vitamins, minerals, etc. and many more...

IPM has also witnessed slowdown of chronic care especially Diabetic, CV segment, Derma, Ophtho and Dental care section in specific

We as an organization has a clear path and vision planned to penetrate in IPM market through exclusive Rx route and phase wise entry in OTX market with women care products and various other segment which we would like to share in 2nd quarter onwards as we add these products in our brand basket. we are sure to mark and make our presence felt in IPM through our unique delivery system technology called as MDF.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

The Company has direct and step down subsidiaries in India and overseas. Consolidated financial statements have been prepared by the Company in accordance with the requirements of Ind AS 27 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Companies Act, 2013 ("the Act").

As per the provisions of Section 136 of the Act, separate audited financial statements of subsidiaries are placed by the Company on its website at www.vbshilpa.com. Statement containing the salient features of the financial statement of subsidiaries and associate company for the year ending March 31, 2021 in Form AOC-1 (Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) is attached at the end of the notes to "Accounts to Financial Statements.

SHILPA THERAPEUTICS PRIVATE LIMITED (STPL) (WHOLLY OWNED SUBSIDIARY)

Shilpa Therapeutics Private Ltd. situated at Cherlapally, IDA Phase-III, Medchal-Malkajgiri District, Hyderabad, Telangana, India-500051, a progressive novel drug delivery company with an international outlook is dedicated to the development and commercialization of innovative and patient compliant novel drug delivery systems such as fast disintegrating oral strips.

Shilpa Therapeutics Private Ltd. is the first company to commercialize prescription products as oral thin strips/films in India.

Management team with proven leadership and experience in pharmaceutical business., **Shilpa Therapeutics** is being lead and promoted by highly motivated professionals with extensive experience both in domestic and international pharmaceutical arena and highly qualified management professionals with a vision to develop and market innovative and patient compliant novel drug delivery systems.

Strong technical expertise to develop thin strips/films for oral/sub-lingual/buccal delivery, As a result of continued efforts in the research and product development, Shilpa Therapeutics had developed the most sought after novel drug delivery dosage form- orally disintegrating strip/film and obtained the

manufacturing and marketing licenses for this dosage form in India and abroad.

The orally disintegrating formulation resembling a postage stamp in size and shape is a taste masked, fast dissolving, convenient and potentially effective dosage form. The oral strip/film cannot be removed from the mouth upon application. The target patient population includes:

One who cannot swallow e.g., Dysphagic & Odynophagia.
One who does not want to swallow e.g., paediatric, geriatric and psychotic patients. Who should not swallow e.g., Dialysis patients (due to liquid intake restrictions)

The oral strip/film is a convenient, discrete oral delivery form which when placed on the patient tongue is instantly wetted by saliva and then it rapidly disintegrates and dissolves within seconds to release the medication for its therapeutic benefits without the need of water.

The plant has recently Upgraded to carter Regulated Markets like ROW and European countries and the products are being updated to cater the registration requirements of the respective countries.

Vertically integrated GMP facility from Research to Commercialization

Shilpa Therapeutics facility is capable of meeting the regular commercial supply demand from manufacturing to secondary packing with its compliance to meet the latest Schedule 'M', cGMP/WHO GMP compliant systems, procedures and practices.

The infrastructure includes major production equipment including formulation processing line with built-in high speed stirrers, homogenizers & de-aeration systems, layering and drying machinery, thermal heating systems, film slitting units and custom made pouch packing units.

Products available in the Domestic Market:

Shilpa Therapeutics had obtained manufacturing and marketing license from the Drugs Control General (India), New Delhi for the following products and these products have also been launched in India by well-established national pharmaceutical companies.

Molecule	Category
Ondansetron Hydrochloride 2mg, 4mg & 8mg Orally Disintegrating Strips	For the prevention of chemotherapy induced nausea and vomiting (CINV)
Simethicone 62.5mg Orally Disintegrating Strips	Anti-Flatulent.
Sildenafil Citrate 25mg & 50mg Orally Disintegrating Strips	For the treatment of erectile dysfunction (ED)
Tadalafil 5 mg, 10mg & 20mg Orally Disintegrating Strips	For the treatment of erectile dysfunction (ED)
Methylcobalamin 1500 mcg Orally Disintegrating Strips	For the treatment of Diabetic Neuropathy and Peripheral Neuropathy
Montelukast Sodium 4 mg, 5 mg & 10 mg Orally Disintegrating Strips	For the Prophylaxis and Chronic Asthama
Vitamin D3 2000 IU Orally Disintegrating Strips	Vitamin D3 Supplement
Betahistine Dihydrochloride 16mg & 24 mg	For the treatment of Menier's syndrome characterised by unilateral or bilateral Vertigo, sensorineural hearing loss
Green Tea Film (FSSAI)	For Household drink for therapeutic benefits
Menthol Mouth Freshener in different flavor	Mouth Fresheners
Paracetamol 60 mg & 120 mg ODS	For Paediatric Pain Reliever and a Fever Reducer.

Products in the Pipeline

The following formulations are under various stages of Research & Product Development along with several others in the initiation phase.

Molecule	Category
Rizatriptan 10 mg Orally Disintegrating Strips	For Treatment of Migraine
Methylcobalamin 1500 mcg + Pregabalin 75 mg Orally Disintegrating Strips	For Treatment of Pain and for Diabetic and Peripheral Neuropathy
Prucalopride 1mg & 2 mg ODS	For Treatment of Chronic Constipation
Risperidone 1mg, 2mg, 3mg & 4mg ODS	Anti – Psychotic
Pregabalin 25 mg/ 50 mg/ 75 mg ODS	For Treatment of Pain
Ketorolac Tromethamine 10mg ODS	Anti – Inflammatory

Strong Intellectual Property Management Team/Profile

Shilpa Therapeutics has a strong IP profile. The company has been granted several patents on orally disintegrating strips

A state-of-the-art R&D center for developing oral strips and sublingual film products, works in co-ordination with the Intellectual Property Management team to develop cost effective generics and novel patentable formulations.

In FY 2019-20, our patent filing grew further with 7 new patent filings including Indian and international filings. Since its inception, STPL has filed more than 25 patents across a wide global network.

The patent applications filed during FY 2019-20 includes novel pharmaceutical formulations, international filing of a unique formulation of green tea films.

STPL to continue aggressive patent filings and protection of IP in India and other important geographies of the world and plan to monetize the same.

STPL will continue to build its future pipeline of innovative and “first-time-in-the-world” fast dissolving films with Intellectual Property (IP) advantages and we are confident that the overall result of our initiatives will be evident in the coming years.

Regulatory Approvals

Shilpa Therapeutics Private Ltd has received approval for its oral disintegrating strip facility from following regulatory authorities:

- National Pharmaceutical Regulatory Agency (NPRA) Malaysia, which is an PIC/S member (Pharmaceutical Inspection Co-operation Scheme)
- Ministry of Health Thailand
- Pharmacy Poison Board – Kenya
- National Drug Authority – Uganda
- Regulatory Authority of DR Congo
- Supreme Board of Yemen

Many of the products are under screening process in above Ministries of Health and are in verge of the products approval.

Business Scope

Shilpa Therapeutics holds bright prospects for its business scope. ODS products of Shilpa Therapeutics have already been launched in India under its own brand with Domestic Marketing Team formed under Shilpa Medicare Limited and also by other prominent pharma companies viz., Abbott India Limited, Delvin Formulations Private Ltd, Alkem Labs, Linux Laboratories etc. Shilpa Therapeutics has also extended its business to the external markets with its ODS products launched in Kenya and many other countries to follow.

Shilpa Therapeutics with its technical expertise, manufacturing capabilities and its finished products at various stages of registration in several countries is poised to attain promising business results in the very near future.

INM TECHNOLOGIES PRIVATE LIMITED (INMT) (Wholly Owned Subsidiary)

INMT has been promoted as a joint venture company with a vision to develop products using Nano technology. INM over the period has carried out research operations on various products and process in the fields of materials engineering / pharmaceutical technology and service in advanced technology and product development with scale up process for the developed micro / nanomaterials. INM has developed state-of-the-art facility for synthesis, characterization and analytical testing of nanotechnology based products and created various departments for the purpose of holding Company (i.e. Shilpa) involving major disciplines namely Biotechnology, Bio-Medical, Analytical and Pharmaceutical, Chemical, Polymer, Coatings, Electronics and Smart materials. INM Technologies R&D lab has been recognized by DSIR, New Delhi. INMT has filed patents on dental formulations namely: root canal sealant powder composites (Mineral Trioxide Aggregate) having nanostructured with nontoxic nature and highly biocompatible, Hemostatic gels based on Tranexamic acid and Tranexamic acid gingival based and Chitosan-Tranexamic acid loaded dicalcium silicate scaffold formulation for blood clotting and drug delivery. INMT has been working on Hydroxy apatite oral thin films for calcium supplement have been formulated and bio-studies are yet to be initiated. Paracetamol oral thin films have been initiated and have shown very interesting result in batch process.

In order to obtain advantage from the technologies, processes and resources developed by the INM Technologies Private Limited, Shilpa Medicare Limited has filed an application before National Company Law Tribunal, Bengaluru Bench for amalgamation of INM Technologies Private Limited.

INM NUVENT PAINTS PRIVATE LIMITED (NUVENT) (Step down Subsidiary)

All the coatings and paints developed in the department has been spin off from INMT to a wholly owned subsidiary company, INM Nuvent Paints Private Limited. Innovated nanostructured transparent coatings (6 Nos) namely: Hydrophillic, Hydrophobic, UV-absorbing, Heat Reflective, Fire retardant, multi protect 3 layer coating structures for SS surfaces are marketed through Nuvent. On the other hand, nanostructured paints (5 Nos) with enhanced performance have also been developed and under commercialization through Nuvent. These are anti-corrosion paint for MS surfaces, Heat Reflective paint for roof tops, High temperature (600oC) anticorrosion paint, fire retardant paint, Pigeon repellent paint. The developed paints are eco-friendly, low VOC, highly reliable and durable and cost effective.

LOBA FEINCHEMIE GmbH, AUSTRIA (LOBA) (Step down Subsidiary)

As on 31st March, 2021, Loba Feinchemie GMBH was sold to ZR Pharma & GMBH, Austria for a sale consideration of 3.3 Million Euros.

SHILPA PHARMA INC., USA (Wholly Owned Subsidiary)

Shilpa Pharma Inc has been promoted with the vision to register, create and develop marketing network for the products of the Company in North American countries, particularly aimed at USA and also to co-ordinate with the USFDA authorities directly on a regular basis for obtaining approvals.

KOANAA HEALTHCARE LIMITED, UK (KOANAA, UK) (WHOLLY OWNED SUBSIDIARY)

Koanaa, UK has been formed for the purpose of registration and vmarketing of the drugs of the Company in European market.

KOANAA HEALTHCARE GmbH, AUSTRIA (KOANAA, AUSTRIA) (Wholly owned subsidiary)

Koanaa Healthcare GmbH has been founded to register and develop the market for, the products of the Company in Austria and adjacent countries.

Koanaa, Austria has now changed its strategy from direct marketing of products in Europe to out licensing model. This strategy could remain in force for few years for now till Koanaa, Austria does not have a size chunk of products in its basket going forward. Koanaa, Austria therefore decided to surrender its GMP license to GDP as it will only focus on Out-Licensing of products and thus it is responsible to sell their products through partners and distributor rather than directly marketing the products on their own. With the change in the focus, Koanaa, Austria has started focusing on identifying partners to whom the products could be out licensed. The basic essence of Koanaa, Austria to be [positioned as "European Player" in the field of oncology with the brand "Austrian Quality". The products will prove highest standards and quality and Koanaa, Austria will stand for Deliverability and Service for Patients and Physicians through its partners and distributors.

In terms of geographical presence Koanaa, Austria is based in Austria (Fischamend) near Vienna and is offering products released from Austria for now to all its customers going forward.

Koanaa, Austria has already got the approval from the AGES inspection (Austrian pharmaceutical authority) as a wholesaler with the official right to sell pharmaceutical products. Imatinib was the first product which was launched in the highly competitive market in Germany and Austria in April/May 2017, later it was launched in Sweden, Finland and UK.

New territories such as CZECH and Romania have been also identified for launch. Though we have received the approval for Bortezomib and Pemetrexed, the same is still not launched as there is patent restriction.

The vision of Koanaa, Austria is to develop as a successful and reliable partner within the pharmaceutical domain.

KOANAA HEALTHCARE CANADA INC (Wholly Owned Subsidiary)

Koanaa Healthcare Canada Inc was incorporated on April-24th-2020. Currently, there are two executives (President and VP of Regulatory Affairs/Quality) that are employed and located in Montreal, Quebec, Canada. Both employees have over 25 years of experience and are well known in the pharmaceutical industry. Koanaa was audited by Health Canada agency and received its compliance rating and drug establishment license on October 28th, 2020. Right after this important milestone, the company immediately filed its first dossier and plans to file more in 2021.

The senior management have decided to implement the B2B strategy model (out-licensing products to partners). This business model can be managed by both employees. The company has already secured business deals with partners and currently there are five dossiers under review and expect to receive approval in the second half of the year. One dossier is approved, and the head office plans to manufacture and dispatch the products in April or May. This will be the first recorded commercial sales in the territory. Koanaa Canada is under negotiations with additional partners and plans to make more business deals this year.

INDO BIOTECH SDN.BHD (Wholly Owned Subsidiary)

Indo Biotech SDN BHD is a Malaysian based company which is located in MALAYSIA The company has been formed for the primary purpose of marketing, manufacturing and distributing while performing other financial, business development, regulatory and general administrative functions of Health care and General pharma products.

Indo Biotech SDN BHD, is fully capable of offering formulation in Research & Development, manufacturing of both pilot and commercial batches, Warehousing & Distribution and Sales & Marketing of health care, Pharmaceutical and allied Products.

Indo Biotech SDN BHD is capable of offering pharmaceutical products cost-effectively, to compete with both domestic manufacturers and imports. Generic pharmaceutical products are bio equivalent and therapeutic equivalent alternatives to branded drugs that have lost market exclusivity of patent protection.

Indo Biotech SDN BHD will be a wellspring of discovery and a catalyst for change in healthcare & pharmaceutical. We are committed to push the frontiers of discovery in order to

improve health and well-being.

We believe connections make everything possible. Therefore, we want to be Malaysia's leading health provider, we are working towards to strive to provide the right services to help you enjoy life to the fullest. From the way we operate to what we intend to accomplish both on the local and international front, we apply and hold close a vision of excellence created towards making one's life better.

At Indo Biotech SDN BHD, excel through high-quality innovative products and services to continuously bring value through commitment, respects, integrity and professionalism.

KOANAA HEALTHCARE SPAIN (Wholly Owned Subsidiary)

S.L., Headquarters of Shilpa B2B Europe, became active in April 2020.

Currently, there are three executives (Vice President, and recently incorporated, Head of Business Development and Head of Regulatory Affairs), employed and located near Barcelona, Spain.

The main business model for Europe is a B2B License and Supply model, in which we out-license our high-quality Dossiers to European end customers who will market the products, supplied by Shilpa, under their own brand name.

During the financial year 2019-2020 Shilpa, very successfully launched Azacitidine, covering the majority of European countries.

Our aim is to become the preferred partner of choice, by providing a high-level quality of service and information, combined with a continuously growing strong, competitive and innovative portfolio.

KOANAA INTERNATIONAL FZ-LLC

Koanaa International FZ-LLC is a Rakez Free Zone Limited Liability Company FZ-LLC in United Arab Emirates.

Koanaa International is offering its services to Africa and Middle East where they provide sales and marketing information. The Company also offers analytical data in pharmaceutical for Africa and Middle East countries. Koanaa International offers its best consultancy services in Food products, OTC, Pharmaceutical and healthcare products.

The Company also manage the healthcare Companies specific project like sales and distribution channel, Pharmaceutical Research and development, supply chain management and all the Pharmaceutical companies related project.

The company also offers the consultancy services for appointing distributor channel and poestablishing a company sales and distribution in Africa and Middle East

REVA PHARMACHEM PRIVATE LIMITED (RPPL) (Associate)

The Company holds 33.33% shareholding in RPPL a joint venture company formed with a marketing expert to market the drugs of the company in regulated markets.

REVA MEDICARE PRIVATE LIMITED (RV MPL) (Joint Venture)

The Company achieved higher than its target goals for the financial year on Sales and Business Development. The Market Access planning has structured into formidable projects and would like to report each vertical as under:

a. Dosage Form:

As a strategy we have positioned in the Emerging Market by formalizing a supply consortium supporting Reva. The module has been successful and Tender supply of medicine for MOH (Afghanistan) was awarded to Reva. The supply was scheduled for Q4 2019-20, but due to COVID-19, it was shipped by May/June 2020. We plan to extend the strategy for market of Vietnam which still holds opportunity for new drugs and the registration timeline is short.

Licensing as a vertical was structured last year and success has been achieved in the markets of Europe, US & China.

b. API (Generic)

The business has progressed with commercial supplies of Oncology, Anti-Infective and Cardio into markets of Japan, Korea, Europe and Emerging Nations.

The Company has made Japan as its key market and build in-roads with main Industry Associations namely; (KPIA – Kansai Pharmaceutical Industries Association) and (JPMA – Japan Pharmaceutical Manufacturer Association). Reva Medicare is a joint venture between Shilpa Medicare Ltd and Akira Pharma (P) Ltd.

SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE LIMITED (Joint Venture)

Sravathi Advance Process Technologies Private Ltd is completed one full financial year with operations of its Research & Development Labs in Rajajinagar, Bengaluru-560010. We have completed key activities during this year which are listed below.

- 1) Signed confidential agreements with >10 customers.
- 2) Signed 6 Project development agreements for different projects. Our business model is taking advance and availing 5 years of royalty revenue on successful completion and implementation of the projects.
- 3) Delivered one complete "Conceptual Engineering Package to Customer" and they are in the process of procuring equipment for building the plants.

- 4) Completed more than 5 projects successfully and delivered some of them to customers and those projects are in different stages. Some of the technologies are developed by Sravathi on its own where we will be giving multiple licenses on non-exclusive basis in coming financial year.
- 5) Generated first revenues in this year through projects. Understood market “potential for our flow chemistry” which is significantly high.
- 6) Obtained approvals for selected API from “Drug control authority” during this year.
- 7) Hired number of skilled people – present team strength is ~50 people.
- 8) Established some capabilities, including new “Sravathi own designs” of flow reactors.
- 9) Filed one patent application during this year by Sravathi.
- 10) Established all “HR processes” and implemented them during this year.
- 11) Due to pandemic situation in Bangalore where company R&D is located, some disturbance for operations during April & May months of this financial year. However, overall able to manage operations with all required “COVID-19” protocols.

SHILPA BIOCARE PRIVATE LIMITED.

Shilpa Biocare Private Limited is a 100% subsidiary of Shilpa Medicare Ltd, & is establishing a state of art Manufacturing Facility for Recombinant Human Albumin manufacturing.

This Product is developed by Shilpa Biologicals as a novel biological entity – a program part funded by the Department of Biotechnology, Govt, through its BIRAC arm. The program was also recognized as amongst the most innovative by DBT in 2012 and again in 2014/15.

While the estimated Global demand is 1000 MT per annum for Albumin, hardly a fifth of this requirement is being catered to currently. The current market for Albumin is \$1 billion based on the current supply condition having recognised this as a important potential business opportunity, The Company has invested in developing a synthetic route for generation of Human Albumin (outside of the human body) and came up with a technology that has been scaled up.

The company has global patent granted for this technology and intends to pursue this vigorously.

The company with permission from the RCGM (regulatory body) and DCGI, is conducting the clinical studies on the said Product. The European Union has also waived off a part of the clinical trials required to release the protein on the market

after having gone through the data generated so far. Hence the company is setting up a large scale production unit for its recombinant Human Albumin at Kadachur Industrial Area.

The clinical studies data & approval will be obtained in the 01st quarter of 2022. There after the company will cater to global demand for Albumin from this site – thus keeping Shilpa Biocare on the Global Biotechnology map

SHILPA CORPORATE HOLDINGS PRIVATE LIMITED (SCHL) (A WHOLLY OWNED SUBSIDIARY)

Shilpa Corporate Holdings Private Limited, a wholly owned subsidiary company has been formed to invest and hold the investments in group companies.

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED:

Sravathi AI Technology Pvt Ltd is established its Research & Development facility in Rajajinagar, Bengaluru-10 in the month of August 2020. We have leased facility and established facilities for doing research in the area of “Artificial Intelligence in chemistry”. Established server and required high computing facilities for doing “Artificial Intelligence” work, which includes many GPUs and CPUs. We have hired required technical talent which comprise of “Data scientists, Molecular modeling experts, Biochemistry, medicinal chemistry, Bioinformatics etc. and operations team – now presently ~20+ people are onboard. We have established and developed “Drug Discovery platform” with variety of predicting models for generating new molecules and predicting biological properties. We have also established new capabilities for developing new molecules generation, Reaction platform and formulation platform. We have completed two “Drug Discovery” projects of In-silico (one program is related to Drugs for COVID-19 and another one related to Immuno-oncology” and presently working on synthesis of promising molecules. We have also established “Bioavailability” platform and completed one project and given for testing. We have received all required approvals/certificates like MSME, GST, IEC, PF, PT etc. We have signed NDAs with ~4 CRO companies for biological testing of new molecules for Drug discovery.

FTF PHARMA PRIVATE LIMITED (Wholly Owned subsidiary)

FTF Pharma has started operation in mid-2013 and completed successful 8 years of operation with global footprint. FTF has created a brand image in the industry as an experienced, capable and profitable company having vast experience and expertise in drug formulation development. It attracted competent and experienced technical manpower from large pharmaceutical companies to cater to its growth.

FTF Pharma is working on flexible business model as per the market dynamics to cater to its growth and has de-risking policy to manage its resources profitably. The different business models are:

1. Contract development model
2. Collaborative development and
3. Own development followed by out licensing with profit share for 5-10 years.

The revenue generated is ploughed back into the company to generate IP and to create state of the art modern R&D infrastructure and creating enough R&D space for future business growth.

The company is engaged in pharmaceutical dosage form development of oral solids (sustained and immediate release), Oral Liquid (solution and suspension), Parenteral (solution and Lyo) and topical products.

As the name suggests, FTF business model was based on the concept of First to File ANDA in USA to get 6 months exclusivity for marketing generating more profit for the client and more value to our IP and 505b2 projects.

In this process, we grew from strength to strength between 2014- 2018 as first to file opportunity was considered a value proposition for all major generic companies in USA.

We changed our business model from licensing to contract development making a whole lot of new customers between 2018-2021 depending less on licensing revenue from FTF projects which is cyclical in nature and market dynamic change for First to File model changed making it unviable.

AUXILLA PHARMACEUTICALS AND RESEARCH LLP (Investment Entity)

AUXILLA PHARMACEUTICALS AND RESEARCH LLP is R&D centre based at Ahmedabad focused on development of 505(b)(2) and complex generics. This business is of product development for national and international clients based on fee for service type as well as co-development/collaboration of in-house projects. Our innovative product development business helps to address reduction in product pricing and burden on healthcare practitioners/nurses.

We will continue to expand our clientele globally and develop differentiated products, focusing on increasing access to products with significant barriers to entry.

In first year after inception, we have shown good progress in terms of new projects taken for development and out-licensed as well. There are more than 25 projects in pipeline for development and 10 of them will be taken for trial/validation at plant scale. We have also signed agreement for two complex generic injectable projects and one peptide based injectable product in this year.

In terms of patents three Indian patents are filed and another seven patents are under filing on liquid orals and injectables. We have developed one injectable platform for water sensitive

molecules keeping low production cost in mind and another injectable platform technology for long-acting depot, which can enhance patient adherence towards critical chronic diseases.

VEGIL LABS PRIVATE LIMITED

Your company has formed wholly owned subsidiary, Vegil Labs Private Limited (VLPL) for the Business purposes of the Company.

SHILPA LIFESCIENCES PRIVATE LIMITED.

Your company has formed a wholly owned subsidiary Shilpa Lifesciences Private Limited (SLPL) to transfer Active Pharmaceutical Ingredients (API) Business of the Company on a slump sale basis, such transfer will create API Business into separate entity which will interalia benefit the whole Shilpa group.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business carried out by your Company.

DIVIDEND:

Your Directors recommended a dividend of i.e ₹ 1.10 Per Equity Share of ₹ 1 /- each (i.e 110) FY 2020-21, absorbing an amount of ₹ 896.79 Lakhs from the profits of FY 2020-21.

The Dividend Distribution Policy of the Company is set out as **Annexure-10** and the same is uploaded on the Company's website at <https://www.vbshilpa.com/pdf/Dividend-Distribution-Policy.pdf>

SHARE CAPITAL:

The paid up share capital of your Company is ₹ 8,15,26,898/- (Rupees Eight Crore Fifteen Lakh Twenty Six Thousand Eight hundred and Ninety Eight) divided into 8,15,26,898 equity shares of ₹ 1/- each. There was no change in the share capital structure during the period under review.

Pursuant to the provisions of section 124 (5) of the Companies Act, 2013 read with the IEPF Rules, the Company has transferred 12,000 shares belonging to the shareholders who did not continuously claim dividend for seven years from the financial year 2012- 13 to IEPF Account, the details of which are placed on the website of the Company.

LISTING OF EQUITY SHARES:

The securities of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Further, the Company has no equity shares carrying differential rights.

TRANSFER TO RESERVES:

During the financial year under review, your Company has not transferred any amount to the general reserve.

DIRECTORS OR KEY MANAGERIAL PERSONNEL:

Mr. Naresh Patwari (DIN No. 03319397), Non-Executive Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Amit Chander (DIN: 02406965) Ceased to be director of the Company with effect from 02nd October, 2020 due to change in his professional priorities.

Further Mr. Sushil Bajaj, Chief Financial Officer of the Company has resigned and ceased to be as such w.e.f 19th January, 2021. Mr. Alpesh Dalal was appointed as Chief Financial Officer of the Company w.e.f 31st May, 2021.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year, Ten Board Meetings were held as detailed below which are in compliance with the provisions of the Companies Act, 2013, the Listing Regulations and Secretarial Standards on Board meeting:

- a. 05th May, 2020
- b. 15th June, 2020
- c. 08th August, 2020
- d. 09th September, 2020
- e. 18th September, 2020
- f. 02nd November, 2020
- g. 22nd January, 2021
- h. 13th February, 2021
- i. 05th March, 2021
- j. 31st March, 2021

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Independent Directors have submitted their declaration of Independence, as required under Section

149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS:

Statutory Auditors:

M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No. 000513S), were appointed at the 30th Annual General Meeting as the Statutory Auditors of the Company for a term of five years to hold office till the conclusion of the 35th Annual General Meeting of the Company. They have confirmed their eligibility for the F.Y. 2021-22 under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

Cost Auditors:

The Board, on the recommendation of the Audit Committee, has appointed M/s. V.J. Talati & Co., Cost Accountants, for conducting the audit of cost records of various segments of the Company for the financial year 2021-22. As required under Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a resolution is being placed at the ensuing AGM for ratification of remuneration payable to the said Cost Auditors.

Secretarial Auditors:

M/s. P.S. Rao & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial

Audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and Rule 9 framed thereunder. The Secretarial Audit Report, in form MR-3, for the financial year 2020-21 forms part of this Report as **Annexure - 9**.

The Board has appointed M/s P.S. Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2021-22.

Internal Auditor:

M/s M. Bhasakara Rao and Co., Chartered Accountants, were appointed in the Board meeting held on 31st May, 2021 as recommended by the Audit Committee, to conduct the Internal Audit of the Company for the financial year 2021-22 as required under section 138 of the Companies Act, 2013 and rules made thereunder.

COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMERS:

Statutory Auditors:

As there is no qualification, reservation or adverse remark in the reports given by the Statutory Auditors, your directors need not provide any clarification on the same.

Secretarial Auditors:

As there is no qualification, reservation or adverse remark in the reports given by the Secretarial Auditors, your directors need not provide any clarification on the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure-8**.

RISK MANAGEMENT POLICY:

Pursuant to Regulation 21(4) of SEBI (LODR) Regulations, 2015, the Board of Directors has formulated and implemented a

Risk Management Policy which identifies various elements of risks, which, in its opinion, may threaten the existence of the Company and contains measures to mitigate the same. The Risk Management Policy of the Company is posted on the Company's website: www.vbshilpa.com.

A Risk Management Committee has been constituted as per the terms of Regulation 21 of SEBI (LODR)

Regulations, 2015 to monitor and review the major risks faced by and the risk management plan of the Company periodically.

FINANCIAL STATEMENTS:

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Standalone and Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of this Annual Report.

In accordance with Rule 8 (1) of Companies (Accounts) Rules 2014, the highlights of performance of the

Subsidiaries, Associates and Joint Ventures and their contribution to the overall performance of the Company have been detailed in **Annexure - 5** enclosed to this report.

Further, the annual accounts of all the subsidiary companies are available on the Company's website – www.vbshilpa.com.

Annual accounts of the Subsidiary Companies and related detailed information will be available for inspection by the members, at the registered office of the Company and will also be made available to the members upon request.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations.

Various Audit systems in the Company monitor and evaluate the efficacy and adequacy of the internal control systems of the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the audit reports, the concerned department/unit undertakes corrective action in the respective areas and strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company has adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries, Code of Conduct for Regulating, Monitoring and Reporting Insider Trading and such other procedures for ensuring orderly and efficient conduct of its business for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

DETAILS OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR UNDER REVIEW:

The following instances took place during the year under review which need to be reported in accordance with Rule 8(5) (iv) of Companies (Accounts) Rules, 2014:

a. During the year under review Shilpa Corporate holdings Private Limited an investment company to invest in the group companies, has been formed as a wholly owned subsidiary and acquired 100% stake in FTF Pharma Private Limited an Indian company, Koanaa Healthcare Canada, Koanaa International FZ LLC (Dubai), Indo Biotech SDN. BHD Malaysia, so that all these companies have become as wholly Owned Subsidiaries.

Further, the Company also acquired balance 25% equity shares of INM Technologies Private Limited and made a wholly owned subsidiary.

b. Your company has acquired contribution in Auxilla Pharmaceuticals And Research LLP

c. INM Technologies Private Limited which is the wholly owned subsidiary of the Company holds 25 percentage of its stake in INM Nuvent Paints Private Limited.

d. The Company had disposed off the total stake in its Step Down Subsidiary named Loba Feinchemie GMBH, Austria. The proceeds have been realized in the month of April 2021.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the provisions of Section 135 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, as framed by the Corporate Social Responsibility Committee (CSR Committee) has been adopted by the Board of Directors. Accordingly, the Company has provided the CSR amount to 'Shilpa Foundation', a public charitable trust taking up various social public causes of the society in and around Raichur, Karnataka and the activities of the said trust are covered under the Schedule VII of the Companies Act, 2013. A report on the CSR activities, as required under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, is enclosed herewith as **Annexure - 4**.

The CSR Policy of the Company and other details as required is are placed on the Company's website at https://vbshilpa.com/pdf/CSR_Policy.pdf

NOMINATION AND REMUNERATION POLICY:

A Committee of the Board named as "Nomination and

Remuneration Committee" has been constituted to comply with the provisions of Section 178, Schedule IV of the Companies Act and Regulation 19 of SEBI (LODR) Regulations, 2015. It has been entrusted with the task to recommend to the Company the prospective directors and KMP who possess the requisite skills and positive attributes as specified in the Nomination and Remuneration Policy.

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy which recommends the guidelines based on which the annual performance of the Independent Directors, Board and Individual Directors is carried out by the Board.

The Nomination and Remuneration Policy of the Company is placed on the Company's website at <https://vbshilpa.com/pdf/NominationRemunerationPolicy.pdf>

FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Board of Directors have carried out an annual evaluation of its own performance, as well as that of its Committees and individual directors pursuant to the provisions of the Sections 134 and 178 read with Schedule IV to the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties by the Board of Directors, independence governance, ethics and values, attendance and contribution at meetings etc.

The performances of the Independent Directors were evaluated by the Board after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee Meetings, like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information

between the Board and the management that is necessary for the Board to perform its functions reasonably and effectively. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- In preparation of annual accounts for the financial year ended 31st March, 2021 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2021 and of the profit and loss of the Company for the year;
- The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a 'going concern' basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at <https://www.vbshilpa.com>

OTHER DISCLOSURES:

Committees of Board:

Your Company has the following committees, namely:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee and
- Corporate Social Responsibility Committee

- Risk Management Committee

The constitutions of all the committees are as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The details of the constitution are mentioned in Corporate Governance Report, which forms part of this Annual Report.

Corporate Governance Report:

Regulation 15 of SEBI (LODR) Regulations, 2015 is applicable to your Company and as such the details as

specified in Schedule V(C) of SEBI (LODR) Regulations, 2015, with regard to Corporate Governance Report including Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance specified in Schedule V(E) of SEBI (LODR) Regulations, 2015 as well as a certificate as specified in Schedule V(C)(10)(i) of SEBI (LODR) 2015 forms part of the Annual report as **Annexure- 11**.

Management Discussion and Analysis:

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 read with Schedule V (B) to the SEBI (LODR) Regulations, 2015 is annexed hereto and forms part of this Annual Report.

Vigil Mechanism:

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, a vigil mechanism for directors and employees to report genuine concerns has been established. The Policy on vigil mechanism i.e. Whistle Blower Policy may be accessed on the Company's website at <https://www.vbshilpa.com/>. The policy provides for a framework and process for the employees and directors to report genuine concerns or grievances about leak of Un-published Price Sensitive Information (UPSI) and illegal or unethical behavior to the Chairman of the Audit Committee.

Remuneration ratio of the Directors/Key Managerial Personnel/Employees:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure-2**.

Particulars of Employees:

Statement of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure - 3** to the Board's Report.

COST RECORDS AND COST ACCOUNTS:

The Company is maintaining cost records and accounts as specified by the Central Government under subsection (1) of

section 148 of the Companies Act, 2013.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013:

Your Company has always provided a safe and harassment free workplace to every individual working in its premises through various policies and practices. Your Company always endeavors to create an environment that is free from discrimination and harassment, including sexual harassment. Your Company has been actively involved in ensuring that the clients and all the employees are aware of the provisions of the POSH Act, 2013 and the rights available to them there under.

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. Your Company did not receive any complaints during the period under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of the loans granted, guarantees given, securities provided and investments made during the year under review, as covered under Section 186 of the Companies Act, 2013, are detailed in the notes to the financial statements which may be read as a part of this Report.

DEPOSITS:

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

RELATED PARTY TRANSACTIONS:

Related Party Transactions entered into during the financial year under review are disclosed in Note No. 45 to the Financial Statements. These transactions were at an arm's length basis and in the ordinary course of business. There were no materially significant Related Party Transactions with the Company's promoters, directors, management or their relatives which could have had a potential conflict with the interests of the Company. Form AOC-2, containing a note on the aforesaid Related Party Transactions is enclosed herewith as **Annexure - 6**.

Related Party disclosures as per Schedule V of SEBI (LODR) Regulations, 2015 are enclosed herewith as **Annexure - 7**.

The policy on Related Party Transactions, as approved by the Board may be accessed on the Company's website https://www.vbshilpa.com/pdf/related_party_policy.pdf

BUSINESS RESPONSIBILITY REPORT:

Pursuant to Clause 34(2)(f) of the SEBI (LODR) Regulations, 2015 Business Responsibility Report, being applicable to the Company, forms part of the Board Report as **Annexure - 1**.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No frauds were reported by the auditors during the year under review.
- There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

The Company has complied with Secretarial Standards, i.e. SS-1, and SS-2 relating to Meetings of the Board of Directors and General Meetings respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

ACKNOWLEDGEMENT:

Your Directors wish to express their gratitude to the Central and State Governments, investors, analysts, financial institutions, banks, business associates and customers, the medical profession, distributors and suppliers for their whole-hearted support. Your Directors commend all the employees of your Company for their continued dedication, significant contributions, hard work and commitment.

For and on behalf of the Board of Directors
Shilpa Medicare Limited.

Omprakash Inani
Chairman
DIN: 01301385

Place: Raichur
Date: 02nd September, 2021

Annexure-1

Business Responsibility Report

The company has in compliance with regulation 34(2)(f) (Listing Obligations and Disclosure Requirements) Regulations 2015, prepared the Business Responsibility Report as under:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L85110KA1987PLC008739
2	Name of the Company	Shilpa Medicare Limited
3	Registered address	#12-6-214/A1, Hyderabad Road, Raichur – 584 135, Karnataka, India
4	Website	www.vbshilpa.com
5	E-mail id	info@vbshilpa.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceutical: NIC Code 21001
8	List three key products/services that the Company manufactures/ provides.	The following 3 key products/services are manufactured/provided 1) Active Pharmaceutical Ingredients. 2) Pharmaceutical Formulations. 3) Product development services.
9	Total number of locations where business activity is undertaken by the company	National: Unit I: Plot Nos. 1A, 1B, 2, 2A, 3A to 3E & 4A to 4C, 5A, 5B, Deosugur Industrial Area, Deosugur- 584170, Raichur.
	(a) Number of International Locations (Provide details of major 5)	Unit -II: 100% EOU, Plot Nos. 33-33A,40 to 47, Raichur Industrial Growth Centre, Wadloor Road, Chiksugur Cross, Chiksugur-584134, Raichur
	(b) Number of National Locations	Unit III: Plot No. S-20 to S-26, Pharma SEZ, TSIC Green Industrial Park, Pollepally Village, Jadcherla Mandal, Dist - Mahabubnagar - 509301, Telangana R & D Unit- Raichur: Plot Nos. 29 A5, 4th Phase (Awerahalli) Sompura Industrial Area, Honnenahalli Village, Dobaspet, Nelamangala, Bangalore Rural – 562 111, Karnataka, India R&D Unit - Bangalore: Plot No. 29 A5, 4th Phase (Awerahalli) Sompura Industrial Area, Honnenahalli Village, Dobaspet, Nelamangala, Bangalore Rural – 562 111, Karnataka, India

International:

Koanaa Healthcare Limited (UK)

4th Floor Cavendish House, 369 burnt Oak Broadway, Edgware Middlesex, England HA8 5AW

Koanaa Healthcare GmbH (Austria)

Fehrgasse 7, 2401 Fischamend, Austria,

Shilpa Pharma Inc.

1980 S, Easton Road, suite 220, Doylestown, PA, 18901, Bucks County

Koanaa International FZ LLC (Dubai)

SBAM0175, Service Block, Al Jazirah Al Hamra, Al Hamra Industrial Zone-FZ, Ras Al Khaimah, United Arab Emirates

Indo Biotech SDN. BHD Malaysia

No 568, Unit, 3-129, Mutiara Complex, 3rd Mile, Jln Ipoh 51200, Kuala Lumpur, W.P. Kuala Lumpur MALAYSIA

10	Markets served by the Company – Local/State/National/International	All over India & International
----	--	--------------------------------

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 815.27 Lakhs
2	Total Turnover (INR)	₹ 83,031.59 Lakhs
3	Total profit after taxes (INR)	₹ 18,439.18 Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5	List of activities in which expenditure in 4 above has been incurred:-	Shilpa Medicare Limited transferred CSR amount to Shilpa Foundation, a public charitable trust for the purpose of taking up various activities as part of its services to the society in and around Raichur, Karnataka and the activities of the said trust are covered under the Schedule VII of the Companies Act, 2013. During the year under purview, the CSR amount of ₹ 347.62 Lakhs to be spent for the year 2020-21, has been transferred to Shilpa Foundation Further, the CSR Committee in its meeting held on 08th February, 2021 approved to purchase the property in the name of “Shilpa Foundation” having address at survey No: 246, situated at Pothgal Village, Raichur, Karnataka for utilizing the said property for CSR activities

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1) Details of Director/Directors responsible for BR****(a) Details of the Director/Director responsible for implementation of the BR policy/policies.**

1. DIN Number :01243391
2. Name :Mr. Vishnukant Chaturbhuj Bhutada
3. Designation :Managing Director

(b) Details of the BR head –

No.	Particulars	Details
1	DIN Number (if applicable)	01243391
2	Name	Mr. Vishnukant Chaturbhuj Bhutada
3	Designation	Managing Director
4	Telephone number	08532-238704
5	e-mail id	info@vbshilpa.com

2) Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1).

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2).

Principle 3: Businesses should promote the wellbeing of all employees (P3).

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4).

Principle 5: Businesses should respect and promote human rights (P5).

Principle 6: Businesses should respect, protect and make efforts to restore the environment (P6).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7).

Principle 8: Businesses should support inclusive growth and equitable development (P8).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).

(a) Details of compliance (Reply in Y/N)

Sl.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for principles stated above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?									www.vbshilpa.com
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Principle 1 and **Principle 2** implementation is looked after by Board of Directors through Code of conduct for board of director and senior management.

Principle 3 implementation is looked after the Human resource department ensuring the well-being of employees.

Principle 4 implementation is achieved by CSR committee

Principle 6 implementation is ensured by the CSR Committee.

Principle 8 implementation is looked after by the board of directors by implementing a pervasive policy pertaining to code of conduct in areas of purchase and procurement thereby enabling equitable and unbiased opportunity to stakeholders in immediate environment.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the Policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The report is published on annual basis and can be viewed on the website of the Company i.e. www.vbshilpa.com in the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Shilpa Medicare Limited is committed to build a strong ethical organization. The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency, integrity, accountability and corporate social responsibility in all dealings. Further, the Company has an internal structure to ensure implementation of the Code and Policy

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

No

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Sl. No	Particulars	No's
1.	At the beginning of the year on 1 st April, 2020	NIL
2.	Received during the year	NIL
3.	Resolved during the year	NIL
4.	Pending's as on 31 st March, 2021	NIL

During the financial year ended 31st March, 2021 there was 01 customer complaints pending, which is under process to resolve.

Principle 2: Businesses should Provide goods and services that are safe and contribute to sustainability throughout their life cycle:

Our manufacturing locations monitor the energy, water and fuel consumption on periodic basis. API manufacturing locations are certified with ISO Certification for Occupation Health and Safety Analysis System 45001: 2018, Quality Management system 9001: 2015 and Environmental Management System 14001: 2015.

The Products Manufactured are life Saving Drugs & are approved & Controlled by International Regulatory agencies USFDA, European, Japan, Asian apart from the Indian Regulatory agencies , The stability testing of the products is done to suit all climatic zones of the world,

All the products manufactured are tested & released under the Quality Management System adopted by the company as per the internationally accepted latest standards of ICH Guidelines

Further the products manufactured are made affordable to the common man by developing the non-infringing processes for all the products thereby the products manufactured are safe & Sustainable throughout the life cycle of the products

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

Shilpa Medicare limited is committed to conserving resources, as it understands the importance of preserving the environment. While manufacturing the products, it has taken into consideration environmental concerns, risks and/or opportunities and how these products can contribute to sustainability throughout their life cycle.

1. Tranexamic acid
2. Bortezomib
3. Capecitabine

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year

throughout the value chain:

The Company is continuously incorporating / strengthening controls in the source of manufacturing & safety norms. Same were considered during product development. we do conduct audit and due diligence prior to sourcing of materials/availing services from the Outside vendors & local supplier as and where possible. Our Company prefers to enter into long term commitments with those suppliers who fulfil their responsibility towards society as well as environment. Product development done with optimum yield which resulted into less waste generation

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year:

The Company emphasizes to reduce the water and energy consumptions that reduce the direct or indirect cost as well as natural resources. The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements.

HVAC systems are in placed for reduction of water consumption. HVAC & solenoid valves were installed in the pipelines of hot and cold well tanks and were interlocked with recirculation pumps. Consequently, each time there was power shutdown or system switch off for routine maintenance work, these valves would stop water from returning to the hot and cold well tanks, due to which considerable amount of water-overflow was saved.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavours to work with responsible vendors who adhere to the same quality, social and environmental standards. Shilpa ensures that sustainable practices are adhered to during activities such as vendor on-boarding, identifying alternative energy sources, outsourcing projects, de-risking processes and waste disposal. Supply Chain Management has implemented various initiatives to reduce carbon footprints from the overall ecosystem.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of Work:

- a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, We at Shilpa Medicare Limited make efforts to source goods and services from the local and small producers for its manufacturing premises and offices. The Company has a supplier evaluation and qualification process. On site audits & visits are made to review the practices followed at suppliers' sites towards this objective. Moreover, Shilpa adhere in the 'Make in India' initiative for which it supports local supply sources wherever possible. It is backed with support of technical expertise to have quality checks and compliance. Various raw materials and excipients are also sourced from local vendors which helps in formulations.

The Company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent.

5. Does the Company have a mechanism to recycle production and waste: If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

The manufacturing facilities have state-of-art effluent treatment facilities with 'Zero Liquid Discharge' of waste water. All the effluent quantity (i.e. 100%) is being reused in utility operations and gardening.

The Company promotes philosophy of the waste reduction hierarchy which consists of reduce, reuse, recover & recycle. Waste solvent is being recovered through recovery system and sold to external agencies (approved by State Pollution Control Board) for reuse at their end

Principle 3: Businesses should promote the wellbeing of all employees:

1. Please indicate the total number of employees.

The Company has 2350 employees as on 31st March, 2021.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

The company has 633 contractual employees plus 144 trainees as on 31st March, 2021.

3. Please indicate the number of permanent women employees.

The Company has 02 women employees as on 31st March, 2021.

4. Please indicate the number of permanent employees with disabilities.

There are 03 Employees with disabilities as on 31st March, 2021.

5. Do you have an employee association that is recognized by management?

Yes

6. What percentages of your permanent employees are members of this recognized employee association?

8.72% of employees are members of the association/ union.

Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	Remarks	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour	"Non recruitment of children" policy in place	Not Applicable	Not Applicable
2	Forced Labour	We don't have any forced labour	Not Applicable	Not Applicable
3	Involuntary Labour	All labour in the Company give their consent before employment	Not Applicable	Not Applicable
4	Sexual Harassment	The Company has constituted an Internal Complaints Committee in accordance with statutory enactments at various business units	Nil	Nil

What percentage of your under-mentioned employees were given safety & skill upgradation training in the last year?

	Unit-1	SEZ Unit	EOU Unit
Permanent Employees	100%	100%	100 %
Permanent Women Employees	Not Applicable	Not Applicable	100%
Casual/Temporary/Contractual employees	100%	100%	100 %
Employees with disabilities	Not Applicable	Not Applicable	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

We, at Shilpa Medicare Limited, implement our corporate social responsibility through Shilpa Foundation. The Company has always partnered with its stakeholders and believed in sharing the fruits of socio-economic progress.

1. Has the Company mapped its internal and external stakeholders?

Yes, we have identified the stakeholders, internal and external, who directly or indirectly influence our business operations. Our major stakeholders are employees, community & society, investors, shareholders, vendors, suppliers, Government and Regulators.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, as a responsible organization, we are committed to work for the welfare of communities around us. Various vulnerable stakeholders around our manufacturing sites have been identified and we have devised and implemented various welfare & development, livelihood & skill upgradation programs for them from time to time

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so -

The Company works actively to enhance the employment opportunities in the nearby locations wherever it operates, leading to income generation and economic empowerment in the marginalized sections of the communities.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Water Conservation & Animal welfare (ii) Environmental Sustainability (iii) Donated to School of Disable children's (iv) Oxygen Concentration during Covid-19

Principle 5: Businesses should respect and promote human rights:

We, At Shilpa Medicare Limited through its Code of Business Conduct, expresses its commitment to do business ethically and embrace practices that support environment, human rights and labour laws. Being present in various geographies, we adhere to this philosophy regardless of the nation, location, language, religion, ethnic origin, or any other status of any person. Our all-encompassing Human Rights Policy covering various principles ranging from freedom of association to freedom from harassment, applied across our operations is testament to our commitment. All these principles are followed in letter and in spirit. So, we are not only compliant with all the statutory laws and regulations, we also have grievance redressal mechanisms in place for violations, if any. In the reporting year, there were no human rights violation complaints, relating either to child, forced and involuntary labour or discriminatory employment against the Company

1. Does the policy of the Company on human rights cover only the Company: or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Our policy on human rights extends to all across the supply chain of our group including suppliers, contractors as well as the local communities and consumers

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no stakeholder complaints in the reporting period pertaining to human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment:

At Shilpa, we believe that Environment, Health & Safety are crucial and paramount pillars for sustainable growth of our business

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others:

Applicable to the Company & Group

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, The Company has invested in Clean development Mechanism & registered its bio mass fired boiler with UNFCC under Kyoto Protocol Project Reference No: 3926; The Pdd listed at UNFCC site : <http://cdm.unfccc.int/Reference/Documents>; The validation report can be visited at http://cdm.unfccc.int/EB/044/eb44_repan03.pdf

Apart from the above the company is using Renewable Biomass as fuel for its Steam energy requirements in all its site's.

The company has invested in wind mills at following locations & is using the energy from windmills & has generated 10413042 Kwh and used 4205000 kwh for captive consumption.

The company is Utilizing all the latest technologies to conserve energy, improve the efficiency of the process & equipment.

The company has invested in flow chemistry to minimize consumption, wastes & visualized the opportunity to improve the quality & productivity, there by conserving the resources

3. Does the Company identify and assess potential environmental risks? Y/N

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed

YES, The Company has invested in Clean Development Mechanism & registered its bio mass fired boiler with UNFCC under Kyoto Protocol Project Reference No: 3926. The environmental Compliance report is being submitted to the Karnataka State Pollution Control Board

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is utilizing the best available technologies like Variable Frequency drives are considered & installed to all the necessary equipment; in the conceptual design itself to conserve the energy;

Electronically Communicated Motors installed in AHU's at OSD Service Floor for Energy Efficiency in October,2020.

It is reducing 40% of Power consumption. Now we are going to install the EC Motors for remaining feasible AHU's.

The company has undertaken following energy conservation, energy efficiency measures at its API facility & has saved an amount of about

Sl. No	Description of activity	Value in ₹
1	Value of Savings by above improving the electrical Efficiencies	16,15,704
2	Value of the savings per annum by increasing one stage of evaporation from 3 stage to 4 stages in MEE	34,38,000
3	Value of savings done reducing waste to be thermally treated in MEE by installing the Reject RO in a waste reduction measure	61,00,000
Total Value of Savings by utilizing energy conservation & by improving the efficiencies		1,11,53,704

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Emissions generated are controlled and is in compliance & with in the permissible limits of CPCB/ KSPCB/TSPCB. We are ensuring the same through Monthly Environmental Monitoring with GOI Approved Third Party Vendor and submitting the Reports to TSPCB/ KSPCB on Monthly Basis.

The Liquid waste generated in the plant is disposing to Common Effluent Treatment Plant (CETP) of Pattancheru Enviro-Tech Limited for further treatment & Disposal as per the directions of TSPCB. Submitting the Liquid waste disposal details to TSPCB Regional & Zonal Offices on Monthly Basis.

The waste Generated in API is treated in its Zero Liquid Discharge facility & treated water is Recycled to its utility requirement.

The Hazardous Wastes generated in the plant are disposing to TSPCB/KSPCB Authorized Vendors. Submitting the Annual Hazardous Waste Returns in Form -IV to TSPCB/KSPCB Regional & Zonal Offices

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Pharmexcil,
- Chemexcil,
- Raichur Chemical Manufacturers association and
- Raichur Chamber of Commerce
- Federation of Karnataka Chambers of Commerce & Industry
- Pharmaceuticals Export Promotion Council of India
- IMS AG

2. Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, The Company, from time to time, contributes through advocacy/representation to various Chamber of Commerce, administration and authorities in the areas that are of concern or importance. Company also works towards the advancement of public good through our well-defined CSR activities.

Principle 8: Businesses should support inclusive growth and equitable development

We, At Shilpa Medicare Limited is committed to understand the developmental needs of economically weaker and less privileged sections in India primarily around the operational areas of the Company thus creating a more inclusive and equitable world.

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

As part of its CSR policy, the company has taken up several initiatives in this regard for the communities or villages around the manufacturing sites.. Shilpa has chosen the following areas ('Areas of interest') for its CSR projects, which may be carried out by way of direct participation or through implementation agency. These are:

- Construction of school for physical disable children
- Providing basic facilities to rural schools.
- Massive Tree Plantation with support of NGO - Green Raichur
- Water Conservation project in Raichur City

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization.

The company through its Public charitable trust i.e from Shilpa Foundation undertakes most of its programs/ Projects directly. Besides the above, it is also supplementing the efforts of the local institutions, NGOs, local Government, implementing agencies

3. Have you done any impact assessment of your initiative?

In order to ensure that the CSR initiatives are directed towards the objectives and meet the desired results, it is important for us to know the impact that the project creates by monitoring the impact internally & through NGOs like Green Raichur. We regularly meet with the project coordinators, NGOs and stakeholders to assess the impact of our CSR projects

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Shilpa has spent ₹ 347.62 Lakhs on the CSR activities during the year 2020-21 which was in line with the expenditure prescribed under the Companies Act, 2013. These amount was spent on the areas mentioned in point 1.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. Shilpa Foundation, the charitable trust through which the Company takes up community initiatives, undertakes the CSR activities after conducting detailed assessments and surveys in the areas in and around the region where it operates. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible Manner:

The effectiveness of compliance of this principle can be enunciated by the Vision of Shilpa Medicare Limited -"Innovating for Affordable Healthcare". Shilpa develops a high-quality & affordable medicines trusted by healthcare professionals and patients. State-of-the-art plants, cutting-edge technology, robust processes, and comprehensive

policies, all resulting in medications that alleviate pain of the patients and heal them

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

During the financial year ended 31st March, 2021 there was 01 customer complaints pending, which is under process to resolve.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes, All relevant Product information such as approved Product label claims, Batch details, Dosage form, Generic name, Drug Warning and other text claims as per applicable approved Regulatory guidelines are displayed on the product carton & label

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases as on 31 March 2021

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

We did not carry out any survey, however, in our business model, our customers evaluate our quality system by auditing our facilities periodically. Apart from the product quality evaluation at their end, the customer approves us as a qualified vendor after thorough auditing of our facilities. Also, govt. agencies like USFDA, EDQM, ANVISA, etc as well as those in other countries audit our facilities periodically to confirm our compliance to their quality systems

For and on behalf of Board of Directors

Place: Raichur
Date: 02nd September, 2021

Om Prakash Inani
Chairman
DIN: 01301385

Annexure-2

**Information as per Rule 5(1) of Chapter XIII Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21.

Remuneration, among directors, is paid only to Mr. Vishnukant Chaturbhuj Bhutada and Mr. Sharath Reddy Kalakota. Remaining directors are not in receipt of any remuneration other than sitting fees.

₹ In Lakhs

S. No	Name of Director / Key Managerial Personnel	Remuneration 2019-20	Remuneration 2020-21	Percentage Change
1	Mr. Vishnukant Chaturbhuj Bhutada	992.37	966.98	-2.56
2	Mr. Kalakota Sharath Reddy**	51.96	122.07	134.93
3	Mr. Sushil Bajaj*	44.04	50.60	14.90
4	Mr. V V Krishna Chaitanya	3.76	7.97	-

* Resigned with Effect from 22nd January, 2021

** Appointed with effect from 01st October, 2020

ii) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	The Percentage increase in remuneration of each Director, CFO, CS, CEO in the financial year	Percentage increase in remuneration of median employee	Ratio of Average salaries of employees in comparison of Increase in Key Managerial Remuneration
1	Mr. Vishnukant C Bhutada	195.35	-2.56	13.00	13.00: (2.56)
2	Mr. Sharath Reddy Kalakota	24.66	134.93	13.00	13.00:134.93
3	Mr. Omprakash Innani	0.10	NA	13.00	NA
4	Mr. Pramod Kasat	0.10	NA	13.00	NA
5	Mr. Amit Chander \$	0.06	NA	13.00	NA
6	Mr. Piyush Goenka	0.11	NA	13.00	NA
7	Mr. Naresh Patwari	0	NA	13.00	NA
8	Mr. Rajender Sunki Reddy	0.06	NA	13.00	NA
9	Ms. Sirisha Chintapalli	0.11	NA	13.00	NA
10	Mr. Sushil Bajaj @	10.22	14.90	13.00	13.00:14.90
11	Mr. V V Krishna Chaitanya	1.61	NA	13.00	NA

\$ Mr. Amit Chander an Independent Director of the Company resigned w.e.f 02nd October, 2020

@ Mr. Sushil Bajaj, Chief Financial Officer of the Company, resigned w.e.f 22nd January, 2021

- iii) The median remuneration of employees of the Company during the financial year was ₹ 4.95 Lakhs.
- iv) In the financial year, there was an increase of 13.00% in the median remuneration of employees.
- v) There were 2350 permanent employees on the rolls of Company as on 31 March, 2021.
- vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

For and On behalf of Board of Directors of
Shilpa Medicare Limited.

Omprakash Inani

Chairman

DIN: 01301385

Date: 02nd September, 2021

Place: Raichur

Statement of Particulars of Employees pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014

Sl. No	Name of the Employee	Designation and Nature of Employment	Educational Qualification	Age	Expe- rience	Date of Joining	Gross Remune- ration Paid (Rs. In Lakhs)	Previous Employment and Designation if any	No of Shares held if any	Remarks
1	Mr. Vishnukant C Bhutada	Managing Director	B. Pharmacy	60 Years	32 Years	20/11/1987	966.98 -		6365610	Related to other Promoter Directors
2	Dr. Jayant Karji	Chief Operating Officer (Formulations)	- M Pharmacy, PhD	54 Years	29 Years	16th October, 2019	186.30	Chief Operating Officer - Rubicon Research Private Limited	0	Not related to other Promoter Directors
3	Mr. Prakash Venkataraman	Sr. Vice President - API Business	BE (Chemical Engineering), MMS (Marketing)	55 Years	30 years	05/10/2020	181.0	Sun Pharma - Sr. Vice President - Global API Head (Sales and Marketing)	0	Not related to any Director/ KMP
4	Mr. Sunil Subhash Karpe	Vice President	B Pharmacy	46 Years	25 Years	22/04/2011	135.60	Hetero Pharma, SEZ	0	Not related to KMP/ director
5	Mr. Pradeep Shiva Kumar	Associate VP	M. Pharmacy- Specialisation in Industrial Pharmacy	45 years	18 years	18/08/2011	132.24	Agila Specialities Private Limited, Wintac Limited	0	Not related to any Director/ KMP
6	Mr. Sharath Reddy Kalakota	Whole Time Director and Vice President- Technical	M. Pharmacy	55 years	31 years	01/06/1991	122.07 -		0	Not related to any Director/ KMP
7	Mr. Seshachalam Unnam	Vice President	Ph.D	56 Years	25 Years	03/01/2008	120.36	Matrix Labs, Hyderabad,	0	Not related to any Director/ KMP
8	Mr. Rajkumar Somani	Vice President	CA and Diploma in Central Excise	55 years	28 years	15/11/2008	116.32	Vice President- Operations Khandelwal Laboratories Pvt. Ltd.	0	Not related to any Director/ KMP
9	Mr. Awez Pathan	Vice President	PG- Master of Science	52 Years	27 Years	25/04/2013	103.27 -		-	Not related to any Director/ KMP
10	Mr. Janak Kastia	GM - Marketing Business Development	MSC Organic Chemistry, MBA Marketing	59 Years	34 Years	01/04/2010	152.68	Cadila Health Care Ltd.- GM API Division (Europe & Latin America)	-	Not related to any Director/ KMP

 For and On behalf of Board of Directors of
Shilpa Medicare Limited.
Omprakash Inani
Chairman
DIN: 01301385

 Date: 02nd September, 2021
Place: Raichur

Annexure-4

CSR

1. **Brief Outline on CSR Policy of the Company:** The Company has been conscious of its CSR obligations and fulfilment of the same. It has been undertaking and implementing CSR activities through trust called 'Shilpa Foundation' to provide financial assistance to the poor and needy and to give donations to promote various social, cultural and philanthropic activities. Now, in view of the latest provisions made in the Companies Act, 2013, the Company is committed to carry out CSR activities/ programs more vigorously, in an integrated, planned and time bound manner. The CSR Policy of the Company can be viewed at https://www.vbshilpa.com/pdf/CSR_Policy.pdf. The core theme of CSR Policy is giving back to the society from which it draws its resources. This manifests as stated below.
- Setting up of medical facilities/oldage/orphans home and such other facilities.
 - To promote education among rural youth by providing infrastructure facilities, training and physical education programs, scholarships and awareness programs
 - To provide purified drinking water to the people living in villages and areas surrounding its manufacturing facilities.
 - To develop villages nearby the Company's plants by providing the funds to have minimum infrastructure facilities like roads, water supply etc.
 - To provide plants and develop agroforestry in consultation with local NGO's/bodies to ensure ecological balance
 - To spend on welfare and protection of animals.
 - To provide medical facilities to people below poverty level.
 - To provide food and other needs to the needy people and to contribute to Disaster Management Authority to combat Covid -19 or other natural calamities.

2. **Composition of the Committee:**

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives.

Sl. No	Name of the Director	Designation / Nature of Directorship	Number of CSR Committee Meeting held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Rajender Sunki Reddy	Chairman/Independent Director	2	2
2.	Mr. Vishnukant C Bhutada	Member/Managing Director	2	2
3.	Mr. Omprakash Innani	Member/ Non Executive Director	2	2

3. Provide the weblink where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: https://www.vbshilpa.com/pdf/CSR_Policy.pdf.
4. Provide the details of the impact assessment of CSR Projects carried out in pursuance of Sub Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.
5. Details of the Amount available for set off in pursuance of Sub Rule 3 of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.

Sl. No.	Financial Year	Amount Available for set off from preceding Financial Year	Amount required to be set off for the financial year, if any.
		Not Applicable	

6. Average net profits of the Company as per Section 135(5): ₹17,381.00 Lakhs
- 7.a. Two percent of average net profits of the Company 0as per section 135(5): ₹ 347.62 Lakhs
- b. Surplus arising out of the CSR Projects or programmes or activities of the Previous Financial Years: NIL
- c. Amount required to be set off for the Financial Year: NIL
- d. Total CSR obligation for the Financial Year (a+b+c): ₹ 347.62 Lakhs

8. a. CSR Amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount Transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 347.62 Lakhs	-	-	-	-	-

b. Details of CSR amount spent against ongoing projects for the Financial Year:

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Project Duration	Amount Allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number

The Company, as a policy, is transferring the CSR amount to Shilpa Foundation, a Charitable Trust formed for the purpose for taking up envisaged CSR Activities. The CSR Registration Number of the Shilpa Foundation is CSR00003272. Shilpa Foundation has been taking-up various projects as envisaged by CSR Committee and covered under Schedule VII of the Companies Act, 2013 and spent a total of ₹ 347.62 Lakhs till 31st March, 2021 on various projects which are specified in the Schedule VII of the Companies Act, 2013 like Water Conservation, Rural Education Promotion, Environmental Protection, Medical or Health camps, Sports Promotion, Swach Bharath, Covid -19 and Rural Development related activities particularly in and around the Local Area where the company's Manufacturing Plants / Units were located.

c. Details of CSR amount spent against other than ongoing projects for the Financial Year:

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amount Allocated for the project (in ₹)	Mode of Implementation Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number

Not Applicable

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: NIL

f. Total Amount spent for the Financial Year: (8b+8c+8d+8e): ₹ 347.62 Lakhs

g. Excess amount for set off if any: NIL

Sl. No	Particulars	Amount in (₹) in Lakhs
1.	Two percent of average net profit of the company as per section 135(5)	₹ 347.62
2.	Total amount spent for the Financial Year	₹ 347.62
3.	Excess amount spent for the financial year [(2)-(1)]	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years [(3)-(4)]	NIL

9. a. Details of the unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount Transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in Succeeding Financial Years (in ₹)
				Name of the Fund	Amount in ₹	Date of transfer	
NIL							

b. Details of CSR amount spent in the Financial Year for ongoing projects for the preceding Financial Years:

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project in ₹	Amount spent on the project in the reporting Financial Year in ₹	Cumulative Amount spent at the end of the reporting Financial Year in ₹	Status of the project - Completed / ongoing.
Not Applicable								

10. In case of Creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial Year:

- Date of Creation or acquisition of the Capital Asset: 18th February, 2021
- Amount of CSR Spent for creation or acquisition of Capital Asset: ₹ 596 lakhs advance given for purchase of land
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Shilpa Foundation a registered trust having address at survey no: 246, situated at Pothgal Village, Raichur, Karnataka
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Shilpa Foundation has been searching to acquire a land in and around Raichur, Karnataka where the Company's major manufacturing facilities are situated, to build a permanent facility to take-up some of the CSR activities as per CSR policy of the Company. Accordingly, the CSR Committee in its meeting held on 08th February, 2021 approved to acquire the property in the name of "Shilpa Foundation" having address at survey no: 246, situated at Pothgal Village, Raichur, Karnataka for utilizing the said property for CSR activities, measuring 03 acres and 26 Guntas

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

For and on behalf of board of Directors
Shilpa Medicare Limited

Place: Raichur
Date: 02nd September, 2021

Omprakash Innani
Director
DIN: 01301385

Rajender Sunki Reddy
Chairman of CSR Committee
DIN: 02284057

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/Associate Companies/Joint Ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in lacs.)

Particulars	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Step-down Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Step-down Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary			
Name of the Companies	Shilpa Therapeutics Private Limited (Audited)	INM Technologies Private Limited (Audited)	Koanaa Healthcare Limited (Unaudited)	Zatortia Holdings Limited (Audited)	Loba Feinchemie GmbH (Unaudited)	Makindus INC (Unaudited)	Koanaa Healthcare GMBH (Unaudited)	INM Nuvents Private Limited (Audited)	Shilpa Pharma Inc. (Unaudited)	Shilpa Biologicals Private Limited (Audited)	Shilpa Biocare Pvt. Ltd. (Erstwhile Shilpa Albumin Private Limited) (Audited)	Shilpa Corporate Holdings Pvt. Ltd. (Audited)	Koanaa Healthcare Canada Inc. (Unaudited)	FTF Pharma Private Limited (Audited)	Koanaa International LLC (Dubai) (Audited)	Indo Biotech SDN. BHD Malaysia. (Unaudited)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR (Refer note below 1 & 2)	INR (Refer note below 3 & 4)	INR (Refer note below 3 & 4)	INR (Refer note below 5 & 6)	INR (Refer note below 3 & 4)	INR	INR (Refer note below 5 & 6)	INR	INR	INR	INR (Refer note below 7 & 8)	INR	INR (Refer note below 9 & 10)	INR (Refer note below 11 & 12)
Share capital (Equity + Preference)	223.76	4,396.77	0.10	2.94	616.81	2.49	86.10	1.00	0.07	3,000.00	742.26	781.28	0.05	420.77	1.99	4.41
Other equity	(1,708.78)	(3,638.86)	(299.56)	2,839.12	1,340.98	(363.08)	(3,011.49)	(626.97)	(924.66)	(3,126.81)	(12.10)	(10.42)	(416.34)	1,996.99	(42.28)	(16.64)
Total assets	5,160.65	1,952.57	561.30	2,846.46	7,978.78	3.07	2,102.46	2,12.97	66.34	45,220.03	738.92	771.01	91.23	4,227.55	14.39	430.54
Total Liabilities (Excluding Share Capital & Other Equity)	6,725.67	1,194.66	860.76	4.40	6,020.99	363.66	5,027.85	838.94	990.93	45,346.84	8.76	0.15	507.52	1,809.79	54.68	442.77
Investments	520.49	6.37	-	-	-	-	-	-	-	-	-	770.50	-	-	-	-
Turnover	(1,059.54)	(216.35)	(72.79)	(12.34)	(60.70)	-	(387.62)	(312.70)	(266.38)	(2,780.00)	(12.09)	(10.42)	(402.33)	50.96	(42.18)	(16.84)
Profit/(Loss) before taxation	(273.29)	10.55	-	0.26	41.04	-	0.43	15.19	-	(2,150.95)	-	-	-	6.89	-	-
Provision for taxation	(786.25)	(226.90)	(72.79)	(12.60)	(101.74)	-	(388.05)	(327.89)	(266.38)	(629.05)	(12.09)	(10.42)	(402.33)	44.07	(42.18)	(16.84)
Proposed Dividend	100%	100%	100%	100%	99.99%	55.78%	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1 Conversion rate 1 GBP = 100.9509 for Balance Sheet & Profit & Loss A/c 1 GBP = 96.01																
2 Standalone Financial Statements are prepared in GBP.																
3 Conversion rate 1 Euro = 86.099 for Balance Sheet & Profit & Loss a/c 1 Euro = 85.09																
4 Standalone Financial Statements are prepared in Euro.																
5 Conversion rate 1\$=73.5047 for Balance Sheet & Profit & Loss A/c 1\$= 74.21																
6 Standalone Financial Statements are prepared in USD.																
7 Conversion rate 1 CAD = 58.06 for Balance Sheet & Profit & Loss A/c 1 CAD = 56.11																
8 Standalone Financial Statements are prepared in CAD.																
9 Conversion rate 1 AED = 19.93 for Balance Sheet & Profit & Loss A/c 1 AED = 19.88																
10 Standalone Financials Statements are prepared in AED.																
11 Conversion rate 1 MYR = 17.6433 for Balance Sheet & Profit & Loss A/c 1 MYR = 17.86																
12 Standalone Financials Statements are prepared in MYR.																

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates/Joint Ventures	Maia Pharma- ceuticals INC (Associates)	Reva Medicare Private Limited (JV)	Reva Pharmachem Private Limited (Associates)	Sravathi Advance Process Technologies Private Limited (JV)	Auxilla Pharmaceuticals and Research LLP (Investment Entity of Wholly Owned Subsidiary)	Sravathi AI Technologies Pvt. Ltd. (JV of Wholly Owned Subsidiary)
	(Un-audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Latest Balance Sheet Date	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021
2. Shares of Associate/Joint Ventures held by the company on the year end						
No. of Shares (Equity)	1400000	5001	100000	100000	1243.31	10000
No. of Shares (Preferanec shares)	-	-	-	1385000	0	165000
Amount of Investment in Associates/Joint Venture in Equity shares	795.69	0.50	10.00	6.50	600.00	5.50
Extent of Holding %	34.79%	50.01%	33.33%	65.00%	40.00%	55.00%
3. Description of how there is Significant influence	Shareholding	Jointly Controlled Entity	Shareholding	Jointly Controlled Entity	Investment Entity of Wholly Owned Subsidiary	JV of Wholly Owned Subsidiary
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5. Net worth attributable to shareholding as per latest Balance Sheet	(2,470.25)	269.68	0.54	(285.77)	392.15	423.97
6. Profit/(Loss) for the year	(5,515.68)	337.69	(8.80)	(577.98)	262.93	(10.42)
i. Considered in Consolidation	-	168.88	-	(375.69)	105.17	(5.73)
ii. Not Considered in Consolidation	(5,515.68)	168.81	(8.80)	(202.29)	157.76	(4.69)

For and on behalf of the board of directors
Shilpa Medicare Limited

Omprakash Inani
Director
DIN: 01301385

Date: 02nd September, 2021
Place: Raichur

Form AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third provision thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)	
				Sales	Purchase
Sale/Purchases					
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Not applicable	Not applicable	(2,701.36)	-
INM Technologies Private Limited	Wholly Owned Subsidiary	Not applicable	Not applicable	-	74.09
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Not applicable	Not applicable	40.98	514.28
INM Nuvent Paints Private Limited	Step Down Subsidiary	Not applicable	Not applicable	0.07	0.01
Reva Medicare Private Limited	Joint Venture	Not applicable	Not applicable	30.45	-
Shilpa Pharma INC. USA	Wholly owned Subsidiary	Not applicable	Not applicable	-	2.53
Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture	Not applicable	Not applicable	-	90.00
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	26.51	45.00
FTF Pharma Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	8.70	191.25
Auxilla Pharmaceuticals and Research LLP	Investment Entity	Not applicable	Not applicable	0.04	85.00
Rent Paid					
Mohini Infra Private Limited	Enterprise having common Directors	Not applicable	As per the agreement	14.96	
Triveni Inani	Relative to Director	Not applicable	Not applicable	3.28	
Keshav Bhutada	Relative to Managing Director	Not applicable	Not applicable	4.63	
Madhav Bhutada	Relative to Managing Director	Not applicable	Not applicable	4.63	

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Commission Paid				
Reva Medicare Private Limited	Joint Venture	As per the sale Agreement	As per the sale Agreement	425.36
Remuneration Paid				
Deepak Kumar Inani	Relative to Director	As per the terms of appointment	As per the terms of appointment	59.21
Keshav Bhutada	Relative to Managing Director	As per the terms of appointment	As per the terms of appointment	18.45
Madhav Bhutada	Relative to Managing Director	As per the terms of appointment	As per the terms of appointment	18.45
Interest Received				
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	Not applicable	242.57
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Ongoing	Not applicable	128.47
Koanaa Healthcare Limited United Kingdom	Wholly Owned Subsidiary	Ongoing	Not applicable	27.35
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	Not applicable	1230.42
Shilpa Pharma Inc.	Wholly owned Subsidiary	Ongoing	Not applicable	27.73
Koanaa Healthcare Canada INC	Wholly owned Subsidiary	Ongoing	Not applicable	6.06
INDO BIOTECH SDN. BHD	Wholly owned Subsidiary	Ongoing	Not applicable	9.17
Koanaa International FZ LLC. UAE	Wholly owned Subsidiary	Ongoing	Not applicable	0.17
Shilpa Pharma Inc.	Wholly owned Subsidiary	Ongoing	Not applicable	27.73
Corporate Guarantee #				
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing		15000.00*
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing		3000.00**
Dividend Accrued				
INM Technologies Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	260.30
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	3.2

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Reimbursement of expenses				
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd)	Wholly Owned Subsidiary	Ongoing	As per the terms of the Agreement	0.01
Shilpa Corporate Holdings Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	As per the terms of the Agreement	2.56
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Ongoing	As per the terms of the Agreement	2.55
Corporate Social Responsibility Expenses				
Shilpa Foundation	Trust in which key management are the board of trustees or Director are Trestee	Ongoing	Not applicable	346.61

* the outstanding liabilities against corporate guarantee given to banks for the financial period ended 31.03.2021 on behalf of Shilpa Biologicals Pvt. Ltd. is ₹ 15000.00

** the outstanding liabilities against corporate guarantee given to banks for the financial period ended 31.03.2021 on behalf of Shilpa Therapeutics Pvt. Ltd. is ₹ 2650

The disclosure as required u/s 186(4) of the Companies Act, 2013 and the said guarantee given for business purpose.

For and on behalf of the board of directors
Shilpa Medicare Limited

Omprakash Inani
Director
DIN: 01301385

Date: 02nd September, 2021
Place: Raichur

Annexure-7**Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015**

(₹ in Lakhs)

In the accounts of	Particulars	As on 31 st March, 2021			Maximum Outstanding during FY 2020-21		
		Loans/ Advances	Investment		Loans/ Advances	Investment	
			Equity	Preference		Equity	Preference
Shilpa Medicare Limited (Holding Company)	Shilpa Therapeutics Private Limited	3,363.30	1,112.46	40.00	5,208.55	1,112.46	40.00
	INM Technologies Private Limited (Including Share Application Money)	-	113.25	4,246.77	-	113.25	4,246.77
	Reva Medicare Private Limited	-	0.50	-	-	0.50	-
	Zatortia Holdings Limited	1.29	2,028.91	-	1.29	2,028.91	-
	Makindus Inc.	-	454.20	-	-	454.20	-
	Koanaa Healthcare Limited	789.16	0.10	-	789.16	0.10	-
	Reva Pharmachem Pvt.Ltd.	-	10.00	-	105.01	10.00	-
	Koanaa Healthcare GmbH Austria	4,373.38	77.63	-	4,373.38	77.63	-
	Maia Pharmaceuticals Inc.	-	-	795.69	-	-	795.69
	INM Nuvent Paints Pvt Ltd	-	0.75	-	-	0.75	-
	Shilpa Pharma Inc.	826.93	0.07	-	826.93	0.07	-
	Shilpa Biocare Pvt. Ltd.(Erstwhile Shilpa Albumin Private Limited)	-	742.26	-	-	742.26	-
	Shilpa Biologicals Private Limited	25,206.00	3,360.93	-	25,206.00	3,360.93	-
	Sravathi Advance Process Technologies Pvt. Ltd.	-	6.50	1,535.00	-	6.50	1,535.00
	Koanaa Healthcare Canada Inc.,	378.85	0.06	-	378.85	0.06	-
	Shilpa Corporate Holdings Pvt. Ltd.	-	781.28	-	-	781.28	-
	Indo Biotech SDN.BHD.	808.55	4.42	-	808.55	4.42	-
	FTF Pharma Pvt. Ltd.	-	6,577.97	390.00	-	6,577.97	390.00
	Koanaa International FZ-LLC,	47.78	1.98	-	47.78	1.98	-

For and on behalf of the board of directors
Shilpa Medicare Limited

Omprakash Inani
Director
DIN: 01301385

Date: 02nd September, 2021
Place: Raichur

Annexure-8

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN (EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014)

CONSERVATION OF ENERGY:

- (i) The steps taken or impact on conservation of energy: The Company is conscious of conservation of energy & conducts energy audits every year at all the sites to explore the scope of energy conservation.

The Following other energy Conservation measures have been adopted

S. No	Description of Activity	Energy Saved In KWh / Year
1	By installing Energy efficient EC Blower, energy consumption reduced about 50% compared with conventional belt driven centrifugal blowers. This has been done on trial basis for 3 AHU's , In the next financial year Rest of the AHU's will be relaced with these EC blowers to tap the huge potential of energy savings	69898
2	Light Dependent Sensors installed in place of Timer based for Street lighting to improve the performance and avoid the energy wastage.	18250
3	Improved Technology LED COB Lighting with proper heat dissipation and high Lumens/ Watt installed instead convention LED fittings in New AO7 Block	8815
4	About 133 No's Energy Efficient IE3 motors procured and installed for projects and Maintanance to conserve energy	105000
5	Value of Savings by above improving the electrical Efficiencies In ₹	1615704
6	Value of the savings per annum by increasing one stage of evaporation from 3 stage to 4 stages in ₹	3438000
7	Value of savings done reducing waste to be thermally treated in MEE by installing the Reject RO in ₹	6100000
Total Value of Savings by utilizing energy conservation & by improving the efficiencies is in ₹		11355667

- (ii) the steps taken by the company for utilizing alternate sources of energy;
- Recycling of hot water from post treatment's of water system to boilers infeed to increase efficiency of boiler.
 - Usage of RO water as an infeed to pre-treatment of water system- it reduced breakdowns of water system/ increased OBR value of softeners/decreased softeners regeneration frequencies/decreaswed RO membranes replacement frequencies.
 - Routed vial washer water back to raw water tank.- saved 5 KL of WFI per batch
 - Implemented spray nozzles in external washers- saved 3 KL of Purified water per batch.
 - Circulation of brines back to brine chiller from CV and FV.- avoid loss of brine from jackets of these vessels.
 - Implemented online differential pressure monitoring devices across terminal HEPA's and plenum HEPA's in AHU's. – avoided 11th hr. surprise for blockage or tear off HEPA filters.
 - Implemented parallel data logging system in all isolators and process area critical equipments- help to avoid data loss due to HMI or SCADA hanging in between.
 - Implemented online camera system post capping- to detect cosmetic defects of seals crimping quality.
 - Implemented camera system post Lyo. Unloading – to detect traces of powder on stoppers
 - Replacement of inkjet printers with laser jet printers- avoid expenditures on ink and cleaning solution – ₹ 10 lakhs Saving per year.

Renewable Fuels- Biomass Briquettes, Rice Husk is used for its steam requirements in all the sites; The company has invested in wind Power for generation of Clean Energy Registered its Biomass Based steam Generation Project with UNFCCC Clean Development Mechanism under Kyoto protocol Project Reference No: 3296 & Reducing the GHG emission Reductions.

The Company is using electrical energy from Renewable Wind Energy –from its own wind mills & is using 42.05 Lakh Units per annum for its energy requirements at Raichur units, The value is about ₹ 3.36 Crores, on wheeling basis . Apart from this The company through its winds mills has Generated 6208042 units , has given this clean energy to the Grid for usage, & Contributed to the environment by reducing the green house gases, which otherwise would have been generated.

(iii) the capital investment on energy conservation equipment's; ₹ 400 Lakhs

TECHNOLOGY ABSORPTION:

The efforts made towards technology absorption;

Apart from the above the Company has implemented following Energy saving & Environmental Friendly Technologies

The company has invested in Upgrading the Multiple effect evaporator in the treatment of effluent by adding another stage of evaporation (Total 4 stage) there by improving the steam economy & capacity increased, to 130 KLD from 100 KLD The annual savings of steam is 3438MT, by improving the steam economy. The investment made for this ₹ 47 Lakhs, and the energy savings being achieved by this per annum is ₹ 34.38 Lakhs

The Company has invested to reduction of the Effluent RO reject volume by installing the Reject water treatment RO system, thereby reducing the RO rejects by about 47 to 50%, (45KLD is recovered as permeate, thereby concentrating the rejects to 45 KLD from 90 KLD @340 days per annum) there by reducing the thermal load for evaporation by 50%, a net Thermal energy saving of ₹ 61 lakhs per annum,

The company's investments on energy saving measures in the Year 19-20 by

- Converting 11KVA to 33KVA substation
- Installation of Level-3 transformers
- Continuous Monitoring & Control lining of Dissolved Oxygen in ETP to conserve the energy consumed by Air blowers
- Decanter centrifuge installation to dewater the sludge

The above have been continually performing to conserve the energy & resources of worth ₹ 70.5 Lakhs in the year 20-21, because of the scheduled maintenance programmes adopted

The company has achieved a direct energy saving of about 1.18% of the overall electrical energy consumption value

The company has saved about thermal energy of 17038 MT of steam by installing the additional stage in Multiple effect evaporator & by installing RO Reject water treatment system

there by reducing the RO reject quantity to be treated in Multiple effect Evaporator.

The Company is Recycling the waste water after treatment in it's Zero Liquid Discharge system, there by conserving the water resource, there is a huge potential by replacing the AHU Blowers with EC blowers, scheduled planning for FY 21-22, The trial runs are completed in FY 20-21.

The benefits derived like product improvement, cost reduction, product development or import substitution:

Product Improvement, Cost reduction & Product development activities are the ongoing processes in the company,

The company is utilizing the services of dedicated intellectuals at various sites to develop the processes to reduce the Resource (Raw material consumption, improved process efficiencies & reduction in treatment costs).

In this process the company has invested in new processes with continuous flow reactions& continuous processes for improving the process efficiencies and reduction of raw materials consumption & control on impurities so that reprocesses are eliminated.

The Company recycles the solvents used with efficient recovery & purification systems; thereby the company conserves the resources.

The company has incorporated the latest available technologies, there by cutting down the costs of operation, energy, & increasing the capacity

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA

(a) the details of technology imported	NA
(b) the year of import	NA
(c) whether the technology been fully absorbed	NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA

FOREIGN EXCHANGE EARNINGS & OUTGO

The details of foreign exchange earning in terms actual inflows and out flows during the year are detailed in note 44 to the Standalone Financial Statements for the financial Year ended 31st March 2021.

For and on behalf of the board of directors
Shilpa Medicare Limited

Omprakash Inani

Director

DIN: 01301385

Date: 02nd September, 2021

Place: Raichur

Annexure-9

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members
Shilpa Medicare Limited
RAICHUR**

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Shilpa Medicare Limited**, (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ("SEBI") thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Provisions of the following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the Financial Year under review:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (vii) The Pollution and Labour laws that are applicable to the Company are as follows:
 - a. The Water (Prevention and Control of Pollution) Act, 1974;
 - b. The Air (Prevention and Control of Pollution) Act, 1981;
 - c. The Environment (Protection) Act, 1986;
 - d. The Public Liability Insurance Act, 1991;
 - e. The Factories Act, 1948;
 - f. The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
 - g. The Employees State Insurance Act, 1948;
 - h. The Contract Labour (Regulation and Abolition) Act, 1970; and

- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (viii) The Industry specific and other laws that are applicable to the company are as follows:
- Drugs and Cosmetics Act, 1940;
 - Drugs Price Control Order, 2013 and notifications made thereunder;
 - Electricity Act, 2003;
 - Indian Boilers Act, 1923;
 - SEZ Act, 2005;

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

- (i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and General Meetings, respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, the regulations of SEBI and other Acts, as specified above, applicable to the industry of the Company.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place in the composition of the Board of Directors:

Sr. No.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mr. Piyush Goenka	Appointment	The appointment as an Independent Director w.e.f. November 9, 2019 for a period 2 (two) years has been approved at the 33 rd AGM held on September 9, 2020
2	Mr. Omprakash Inani	Re-appointment	Re-appointed as a director at 33 rd AGM held on September 9, 2020 upon the retirement by rotation in accordance with the provisions of section 152 of the Act.
3	Mr. Amit Chander	Cessation	Ceased to be the Director of the Company w.e.f. October 02, 2020

Based on our verifications and the declarations received from the respective directors, we further report that, the directors are not disqualified to act as such under the provisions of the Companies Act, Orders/ Circulars/ Regulations issued by SEBI or such other acts, for the time being enforceable.

Adequate notice was given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

We further report that, during the period under review, no prosecutions were initiated and no fines or penalties were imposed during the year under the Companies Act, FEMA, the SEBI Act, the SCRA or other SEBI Regulations on the Company or its directors and officers.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review in terms of the provisions of section 124(6) of the Act, 75 equity shares belonging to 03 shareholders were transferred to the Investor Education and Protection Fund (IEPF). With this, the total shares transferred to IEPF (put together for all years) are 2,10,811.

For **P.S. Rao & Associates**
Company Secretaries

D.S. Rao
Company Secretary
ACS No.: 14487

Date : 02-09-2021
Place: Hyderabad

C.P. No.: 12394
UDIN: A012394C000883671

Note: This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

'Annexure A'

To,
**The Members,
Shilpa Medicare Limited
Raichur**

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Owing to the lockdown measure imposed by the Government in the wake of the COVID-19 pandemic, for certain verifications and cross checks, we have relied on the information/ documents and assurances received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

For **P.S. Rao & Associates**
Company Secretaries

D.S. Rao
Company Secretary
ACS No.: 14487
C.P. No.: 12394

UDIN: A012394C000883671

Date : 02nd September, 2021
Place: Hyderabad

Dividend Distribution Policy

1. REGULATORY FRAMEWORK AND EFFECTIVE DATE

The Securities Exchange Board of India (SEBI) on 8 July, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. Vide these regulations, SEBI has inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements), 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy (the "Policy").

Shilpa Medicare Limited (SML) being one among the top Thousand listed companies, as per the market capitalization as 31 March, 2021 of the immediately preceding financial year, has approved and adopted the Policy at the meeting of the Board of Directors held on 14 February, 2017 being the effective date of the Policy.

2. DEFINITIONS

- i. "Act" shall mean the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- ii. "Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- iii. "Board" shall mean Board of Directors of the Company.
- iv. "Listed Entity/Company" shall mean Shilpa Medicare Limited.
- v. "Dividend" shall mean Dividend as defined under the Companies Act, 2013.
- vi. "Policy" shall mean Dividend Distribution Policy.

3. POLICY

A. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS CAN OR CANNOT EXPECT DIVIDEND:

The shareholders of the Company may not expect Dividend in the following circumstances, subject to the discretion of the Board of Directors:

- i. Whenever the Company undertakes or proposes to undertake, significant expansion plan(s) requiring higher allocation of capital;

- ii. Requirement of higher working capital for the purpose of business of the Company;
- iii. To undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc., requiring significant allocation of capital;
- iv. Proposal for buy-back of securities;
- v. In the event of inadequacy of profits or whenever the Company has incurred losses

B. FINANCIAL PARAMETERS:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- i. Working capital requirement(s);
- ii. Capital expenditure requirement(s);
- iii. Business expansion and growth;
- iv. Additional investment in subsidiaries and associates of the Company;
- v. Consolidated net operating profit after tax
- vi. Operating cash flow of the Company;
- vii. Outstanding borrowings;
- viii. Cost of Borrowing;
- ix. Profit available for distribution;
- x. Past dividend payout ratio.

C. INTERNAL AND EXTERNAL FACTORS

The Board of Directors of the Company would consider the internal factors stated above and the following external factors before declaring or recommending dividend to shareholders:

External Factors:

- Applicable laws and regulations;
- Global conditions;
- Macro-Economic environment;
- Social/Geo-political factors/risks;
- Prevalent market practices

D. UTILIZATION OF RETAINED EARNINGS

The Company would utilize the retained earnings, in a manner which is beneficial and in the interest of the Company and its stakeholders, but not limited to the parameters mentioned above or for such other purposes the Board may deem fit from time to time in the interest of the Company and its stakeholders.

E. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES

Currently, the Company does not have any other class of shares, other than equity shares. In the absence of any other class of shares, the entire distributable profit(s) for the purpose of declaration of dividend is considered for the equity shareholders only.

4. CONFLICT IN POLICY

In the event of a conflict between the policy and the regulations, the regulations shall prevail.

5. REVIEW OF POLICY

The board of directors of the Company will review the policy, as and when it is necessitated. If the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy or proposes to modify the criteria, it shall disclose shall changes along with rationale for the same on the Company's website and in the Annual Report.

6. DISCLOSURE OF POLICY

The policy will be available on the Company's website and will also be disclosed in the Annual Report.

For and on behalf of
Shilpa Medicare Limited.

Omprakash Inani

Director

DIN: 01301385

Date: 02nd September, 2021

Place: Raichur

Corporate Governance Report

[As required under Reg.34 (3) and Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Company's shares are listed on:

Sl. No	Name of the Stock Exchange	Date of Listing
1	Bombay Stock Exchange	19.06.1995
2.	National Stock Exchange	03.12.2009

The Corporate Governance Report has been prepared in accordance with Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

- The Company is committed to the highest standards of Corporate Governance Practices.
- The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance will certainly benefit the board and management to carry out the objectives effectively for the benefit of the Company and its shareholders. The code of Corporate Governance emphasizes the transparency of systems to enhance the benefit of shareholders, customers, creditors and employees of the Company.
- In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical conduct are maintained throughout the Organization.

- The Company has complied with the requirements of the Corporate Governance in accordance with applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

- The board of directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.
- The board presently comprises of Eight (8) Directors, having rich and vast experience with specialized skills in their respective fields, out of which Six (6) are Non-Executive Directors including a Woman Director. The Company has a non-executive (promoter) Chairman. The Independent Directors are constitutes half of the total number of Directors with the Managing Director and Whole Time Director are being the only Executive Directors on the Board of the Company.
- All the directors on the board of the Company have made necessary declarations/disclosures regarding their other directorships along with committee positions held by them in other Companies.

S.No.	Name of the Director	Category	No of Board Meetings during the Year 2020-21		Attendance at AGM held on 09 th September, 2020	No of Directorships Held in other Companies [#]	Committees [§]	
			Held	Attended			Chairmanship	Membership
1	Omprakash Innani	Chairman, Non-Executive - Promoter	10	10	Yes	4	1	2
2	Vishnukant C Bhutada	Managing Director - Promoter	10	10	Yes	13	0	1
3	Rajender Sunki Reddy	Independent Director	10	7	Yes	9	1	1
4	Pramod Kasat	Independent Director	10	9	Yes	4	0	2
5	Naresh Patwari	Non-Executive Non-Independent	10	6	Yes	3	0	1
6	Sirisha Chintapalli	Non-Executive Independent	10	10	Yes	5	0	2
7	Kalakota Sharath Reddy	Whole Time Director	10	10	Yes	2	0	0
8	Piyush Goenka	Independent director	10	9	Yes	2	0	2
9	Amit Chander [@]	Independent director	10	5	Yes	0	0	0

[@]Mr. Amit Chander, Independent Director of the Company resigned with effect from 02nd October, 2020 due to his professional priorities

[#]Excluding Directorships in Foreign Companies and Companies Incorporated u/s 8 of the Companies Act, 2013 but including Private Limited Companies.

[§]Only Memberships of Audit and Stake Holders Relationship Committees of Public Limited Companies Including Shilpa Medicare Limited.

Memberships of the above mentioned directors in other Listed Companies.

Sl.No	Name of the Director	Name of the Company	Category for Directorship
1.	Pramod Kasat	Advanced Enzyme Technologies Limited	Independent Director
		Natural Capsules Limited	Independent Director
2.	Naresh Patwari	TCNS Clothing Co. Limited	Non Executive Director
3.	Piyush Goenka	Safari Industries (India) Limited	Non Executive Director
4.	Sirisha Chintapalli	Zen Technologies Private Limited	Non Executive Director

Number of Board Meetings held during the year under review:

During the year under review, ten (10) board meetings were held, on the Following dates:

05 th May, 2020	15 th June, 2020	08 th August, 2020	09 th September, 2020	18 th September, 2020
02 nd November, 2020	22 nd January, 2021	13 th February, 2021	05 th March, 2021	31 st March, 2021

In Compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the intervening period between two consecutive meetings did not exceed one hundred and twenty days (120 days).

As per the disclosures given by the respective Directors, no director is a member of more than ten committees and Chairman of more than five committees, as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. Further, no Director is acting as Independent Director of more than seven listed Companies, if he is a whole-time Director of listed Company, not more than three Companies.

Disclosure of Relationships between the Directors inter-se:

In the current Financial Year, no other Director has any relationship with any other Director.

Number of shares and convertible instruments held by Non-Executive Directors:

None of the Non-Executive Directors hold any Equity shares or convertible instruments in the company except the following:

Sl. No	Name and designation of the Director	No of shares held
1.	Mr. Pramod Kasat	93000
2.	Mr. Rajender Sunki Reddy	25500
3.	Mr. Omprakash Innani	2867691

Web Link where details of familiarization programmes imparted to Independent Directors:

The details of the programmes conducted by the company for the familiarization of Independent Directors are posted on the company's website under the weblink: https://www.vbshilpa.com/pdf/Familirisation%20Prog_Independent_Directors.pdf

The matrix presenting the director's area of expertise against their experience in the respective field is specified hereunder:

The list of core skills / expertise / competencies which are identified by the Board of Directors as required in the context of the company to function effectively are:

- Specialization and expertise
- Finance and accounts
- Legal and governance
- Industry Knowledge
- Risk management
- Analytical skills
- Decision making skills
- Leadership skills

Name of Director	Designation	Years of experience	Field of expertise
Vishnukant Chaturbhuj Bhutada	Managing Director	32	Pharmacy and Administration
Om Prakash Inani	Chairman	37	Business and Administration
Pramod Badrinarayan Kasat	Independent Director	21+	Investment banker and Structured Financing
Sharath Reddy Kalakota	Whole Time Director	31	API Manufacturing, Projects Design, Execution of Green and Brown Field Projects, EHS and Production
Rajender Sunki Reddy	Independent Director	31+	Pharmacy and Management
Naresh Patwari	Non-Executive Director	11	Health care and Pharma
Sirisha Chintapalli	Independent Director	12	Expertise in legal and Regulatory matters
Piyush Goenka	Independent Director	20	Financial management and analysis

Confirmation that in the opinion of the Board the Independent Directors fulfill the conditions specified in the Listing regulations and are independent of the management:

The Board of Directors Confirms that in its opinion the Independent Directors fulfill the conditions specified by the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year under review Mr. Amit Chander, an Independent Director of the Company has resigned with effect from 02nd October 2020 due to his professional priorities.

Meeting of independent Directors:

Meeting of Independent Directors was held on 05th March, 2021 and 12th March, 2021 inter alia to review the performance of the Non- Independent Directors and the Board as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In the Opinion of the board the Independent Directors fulfill the conditions specified in Regulation 25 read with Schedule IV of the Companies Act, 2013 and are independent of the management.

3. COMMITTEES OF DIRECTORS

A. Audit Committee

Brief description and terms of reference:

The Company constituted a Qualified and Independent Audit Committee comprising of 2/3 members as Independent Directors in accordance with Regulation 18 of Securities and exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The committee is empowered with the role and powers as prescribed under Regulation 18 of Securities and exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The committee also acts in terms of reference and directions of the board from time to time.

The committee acts as a link between the management, external and internal auditors and the Board of Directors of the company.

The Managing Director, CFO, internal auditors and statutory auditors are also invited to the meetings, as required, to brief the committee meetings. The Company Secretary acts as the secretary of the Committee.

The Chairman of the audit Committee also attended the last annual general meeting of the Company.

Composition, name of members and chairperson:

S.No.	Name of the Director	Category	Nature of Directorship
1	Rajender Sunki Reddy	Chairman	Independent
2	Pramod Kasat	Member	Independent
3	Om Prakash Inani	Member	Non-Executive

Meetings and attendance during the year 2020-21

During the year, five (05) meetings of the Audit Committee were held and the details of attendance of the directors in such meetings are as follows:

Date of the Meeting	Number of Directors attended
05 th May, 2020	3
15 th June, 2020	3
08 th August, 2020	3
02 nd November, 2020	3
13 th February, 2021	3

The gap between two Audit Committee meetings was not more than one hundred and twenty days (120 days).

The necessary quorum was present at all the meeting.

B. Nomination and Remuneration Committee (NRC)

The Committee is empowered with the role and powers as prescribed under Regulation 19 of Securities and exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and in the Nomination & Remuneration Policy of the Company. The Committee also acts in terms of reference and directions of the Board from time to time.

Nomination and Remuneration Committee reviews profiles & experience, performance appraisals and recommends the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time. The Company's Remuneration policy as applicable to Directors, Key Managerial Persons and other Senior Management Personnel of the Company is posted on the Company's website at the following web address: <https://www.vbshilpa.com/pdf/NominationRemunerationPolicy.pdf>

Composition, name of members and chairperson

The NRC comprises of Three (3) Non-Executive Directors. The composition of the Nomination and Remuneration Committee is as follows:

S.No.	Name of the Director	Nature of Directorship	Category
1	Pramod Kasat	Independent Director	Chairman
2	Omprakash Inani	Non-Executive Director	Member
3	Sirisha Chintapalli	Independent Director	Member

Meetings and attendance during the year 2020-21

During the year, One (01) meeting of the Nomination and Remuneration Committee were held and the details of attendance of the directors in such meetings are as follows:

Date of the Meeting	Number of Directors Attended
08 th August, 2020	3

Performance evaluation criteria for Independent Directors:

Independent Directors have three key roles to play; those are:

- Governance
- Control
- Guidance

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Nomination and Remuneration Committee has recommended the guidelines for the evaluation of performance of Independent Directors. This largely includes;

- The qualification and experience of Independent Directors.
- The ground work the Independent Directors perform before attending the meeting to enable them in giving valuable inputs during meeting.
- The exposure of Independent Directors in different areas of risks the entity faces and advices from them to mitigate the same.

In line with the Corporate Governance Guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman with specific focus on the performance and effective functioning of the Board, the Committees of the Board and the individual directors and is reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of Directors (excluding the director being evaluated) held the performance evaluation of Independent Directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent Directors.

Performance evaluation was done by the respective bodies on 05th March, 2021.

Remuneration of Directors:

The details of remuneration and commission paid during the year to the Managing Director, and Whole Time Director are as follows:

Category of Payment	Amount in ₹ in lakhs	
	Mr. Vishnukant C Bhutada (Managing Director)	Mr. Kalakota Sharath Reddy (Whole Time Director)
Fixed Component	155.10	121.29
Performance Linked Incentives	-	-
Allowances, Perquisites & others	-	-
Commission	800.00	-
Company's Contribution to PF	11.88	0.78
Perks	-	-
Total	966.98	122.07

Apart from the above, Managing Director is also eligible for the Leave encashment, Leave Travel Concession, Gratuity, Superannuation and other benefits in terms of his appointment and rules of the Company. The Whole Time Director is also entitled to other benefits as per the HR Policies of the company and in terms of his appointment such as gratuity etc. The contract is terminable by either party on 3 months' notice or pay in lieu thereof.

Sitting Fee paid to Non-Executive Directors and their shareholding is as follows:

Name of the Director	Designation	Sitting fees paid (Amount in ₹)	No of Shares Held as on 31 st March, 2021.
Omprakash Innani	Chairman	50000	2867691
Pramod Kasat	Independent Director	50000	93000
Piyush Goenka	Independent Director	50000	-
Rajender Sunki Reddy	Independent Director	30000	25500
Naresh Patwari	Non Executive Director	-	-
Amit Chander \$	Independent Director	30000	-
Sirisha Chintapalli	Independent Director	50000	-

*Mr. Naresh Patwari, Non-executive director of the company has renounced sitting fees since his joining the Company as a director.

\$ Mr. Amit Chander, ceased to be Independent Director of the Company w.e.f 02nd October, 2020.

Other than the sitting fees Paid to the Non-Executive Directors, they had no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees during the financial year under review.

Except Mr. Vishnukant Chaturbhuj Bhutada, Managing Director of the company who was allowed performance linked incentives, i.e. commission as shown above, no other director was allowed any fixed or performance linked incentives.

There are neither specific contracts nor any severance fee. The terms of appointment are as decided by the Board and the general body.

C. Stakeholders' Relationship Committee

The present composition of the Stakeholders' Relationship Committee is as under:

S.No.	Name of the Director	Nature of Directorship	Category
1	Om Prakash Inani	Non-Executive Director	Chairman
2	Vishnukant C Bhutada	Managing Director	Member
3	Rajender Sunki Reddy	Independent Director	Member

The Stakeholders' Relationship Committee is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with Regulation 6 of the SEBI (LODR) Regulations, 2015, the Board has authorized Registrar and Transfer Agent (RTA) i.e. Kfin Technologies Private Limited (Previously known as Karvy Fintech Private Limited) to approve the share transfers/transmissions and comply with other formalities in relation thereto in coordination with the Compliance Officer of the company. All the investor's complaints, which cannot be settled at the level RTA and the Compliance Officer, will be placed before the Committee for final settlement.

Name of the Non-Executive Director heading the Committee	Mr. Omprakash Innani
Name and designation of the Compliance officer	Mr. V V Krishna Chaitanya, Company Secretary and Compliance Officer
Number of Shareholders Complaints received in FY2020-21	0
Number not solved to the satisfaction of shareholders	0
Number of pending complaints	0

D. Corporate Social Responsibility Committee (CSRC).

The Board constituted CSR Committee as per the provisions of section 135 of the Companies Act, 2013 and entrusted the responsibility to comply with the said provisions to such committee. The composition of the CSRC is as under:

S.No.	Name of the Director	Nature of Directorship	Category	No. of meetings held during the year	No. of meetings attended
1	Rajender Sunki Reddy	Independent Director	Chairman	2	2
2	Vishnukant C Bhutada	Managing Director	Member	2	2
3	Om Prakash Inani	Non-Executive Director	Member	2	2

E. Risk Management Committee:

The Board has constituted Risk Management committee at their meeting held with the undermentioned members.

S. No	Name of Director/ Designation of Executive	Nature of Directorship/ Responsibility of Executive	Category in Committee	No. of meetings held during the year	No. of meetings attended
1	Vishnukant C Bhutada	Managing Director	Chairman	1	1
2	Pramod Kasat	Independent Director	Member	1	1
3	Sharath Reddy Kalakota	Whole Time Director	Member	1	1

The Committee is responsible to monitor and review the major risks faced by and the risk management plan of the company and periodically evaluate the risk perception of the company in different fields of operation and exposure and make due recommendations to the board.

GENERAL BODY MEETINGS

The Details of the last three Annual General Meetings (AGMs) are given below:

Financial Year Ended	Date	Venue	Time	Special Resolution Passed
31.03.2020	09 th September, 2020	Registered office at #12-6-214/A-1, Hyderabad Road, Raichur, Karnataka, India - 584 135.	11:00 AM	1. Approval of granting loans to Subsidiaries, Joint Ventures and Associate Companies.
31.03.2019	20 th September, 2019	Registered office at #12-6-214/A-1, Hyderabad Road, Raichur, Karnataka, India - 584 135.	12:15 PM	1. Approval under section 188 of the companies Act, 2013 for appointment of Mr. Deepak Kumar Innani as General Manager-Projects 2. Approval for granting loans to subsidiaries, Joint Ventures and Associates companies. 3. Re-appointment of Mr. Vishnukant Chaturbhuj Bhutada as Managing Director.
31.03.2018	17 th September, 2018	Registered office at #12-6-214/A-1, Hyderabad Road, Raichur, Karnataka, India - 584 135.	12:15 PM	Approval for giving of loans to subsidiaries, Joint Ventures and Associates companies

The Details of General Meetings (Other than AGMs) held during the last Three years are given below

Financial year ended	Date	Venue	Time	Special Resolution passed
31 st March, 2020	30 th March, 2020	Registered office at 12- 6-214/A-1, Hyderabad Road, Raichur-584 135. Karnataka	11:30 AM	To consider and approve sale of Biological Unit of the Company under construction / installation by way of slump sale to Shilpa Biologicals Private Limited, a Wholly Owned subsidiary of the Company.
31 st March, 2021 (Through Postal Ballot)	20 th July, 2021 to 18 th August, 2021	-	-	To Consider And Approve Transfer Of Active Pharmaceutical Ingredient (Api) Business Of The Company By Way Of Slump Sale As "Going Concern" To Shilpa Lifesciences Private Limited (Company Under Incorporation) A Wholly Owned Subsidiary Of The Company

The procedure for postal ballot is as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Mr. Ajay Vemuri partner of M/s VCAN & Associates practicing Company Secretaries issued scrutinizer report for the postal ballot conducted in between 20th July, 2021 to 18th August, 2021.

MEANS OF COMMUNICATION**a. Quarterly results**

Quarterly, half-yearly and annual results are published in two Newspapers- English and Regional language.

Annual Reports with audited financial statements are sent to shareholders through permitted mode.

b. Newspapers wherein results normally published

The results are normally published by the Company in the newspapers (Business Standard or Business Line) in English Version circulating in the whole of India and in regional newspaper (Suddimoola) in the Vernacular language in all editions.

c. Any website, where displayed.

The results are also published on the company's Website: www.vbshilpa.com

d. Whether it also displays official news releases:

The newsletter and press releases made from time to time, if any, are also displayed on the Company's Website.

e. Presentations made to institutional investors or to analysts:

The presentations made to institutional investors or to analysts are displayed in the company's website.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting Date and Time	28 th September, 2021 @ 11:30 am.		
Venue	#12-6-214/A1, Hyderabad Road, Raichur Karnataka- 584135		
Dividend Payment Date	Within 30 days from the date of declaration.		
Last Date of Proxy forms submission	Not applicable (As the meeting will be held through Video Conferencing)		
Period Date for exercising e-voting	24 th September, 2021 opens @ 09:00 am to 27 th September, 2021 ends @ 05:00 pm.		
Financial Year	1 st April 2020 to 31 st March 2021		
Listing on Stock Exchanges	1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. 2. National Stock Exchange of India Limited, "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block, Bhandra- Kurla Complex, Bandra (E), Mumbai		
Stock Code	Name of the Stock Exchange	Stock code	Scrip code
	BSE	530549	SHILPAMED
	NSE	N.A	SHILPAMED

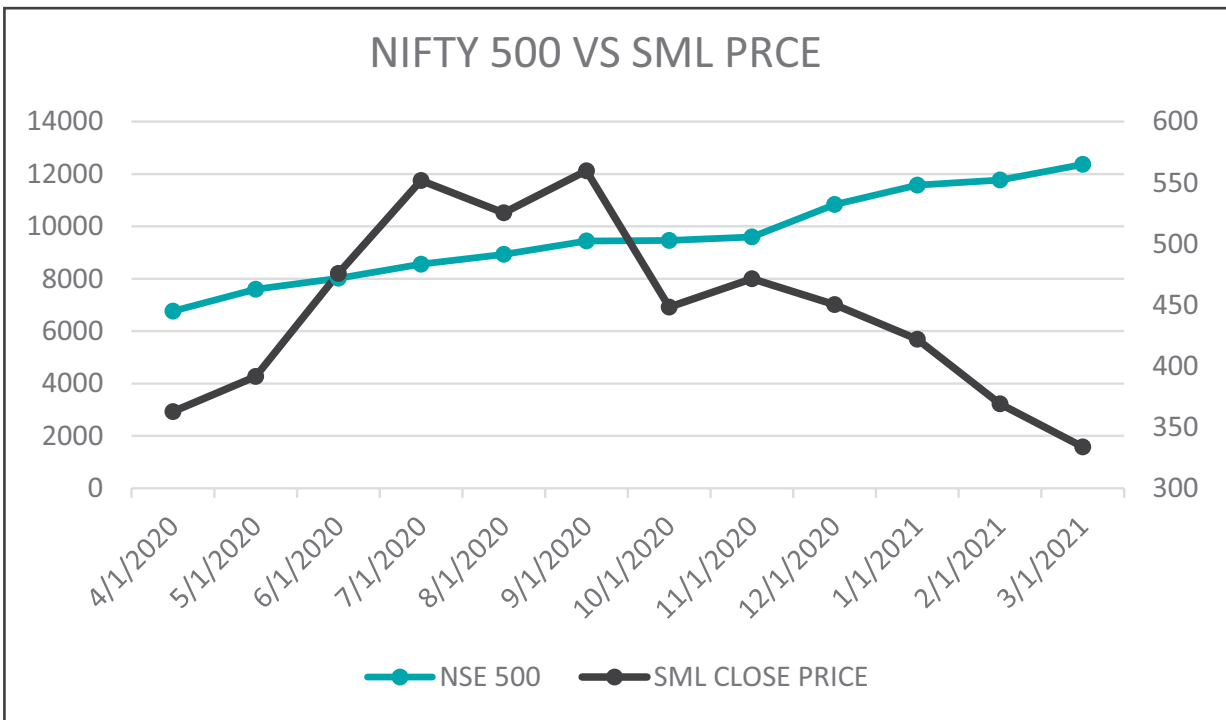
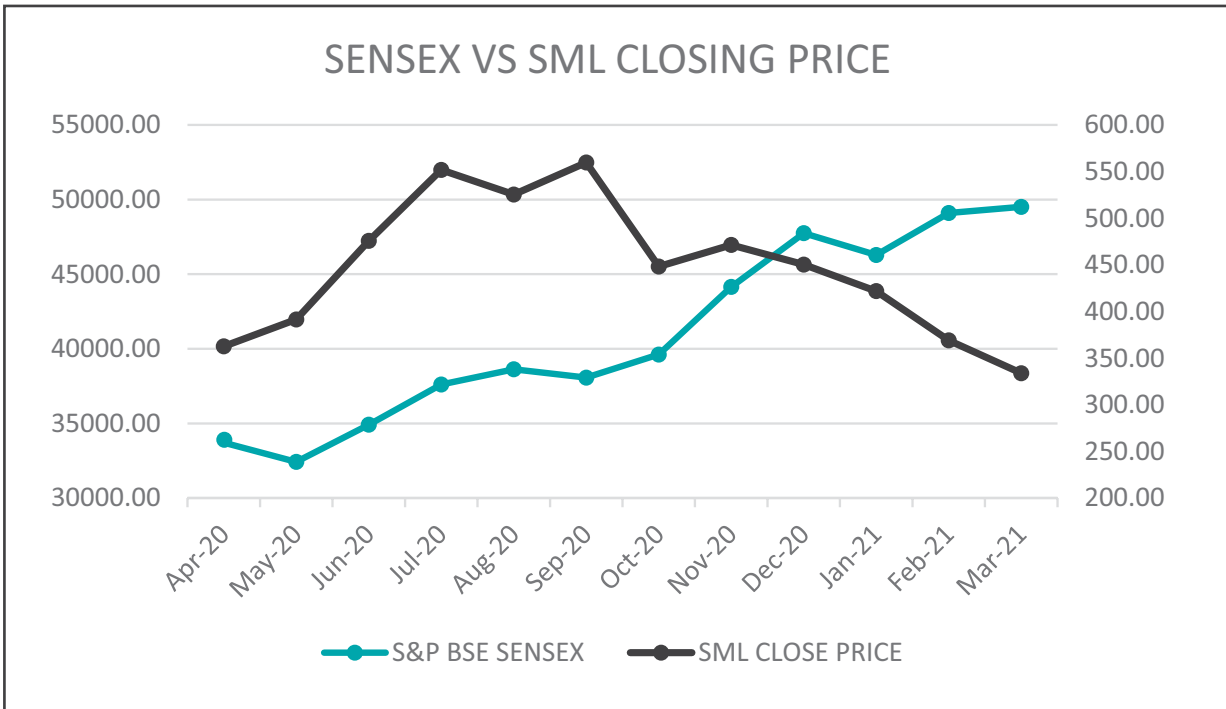
Listing fees to the stock exchanges and Annual custodian fees to depositories for the year 2020-21 have been paid.

Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2020-21 at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2020	429.55	251.00	77430	429.10	244.00	945628
May, 2020	395.85	344.65	41098	396.40	346.00	440158
June, 2020	591.8	392.00	334825	589.00	390.35	3846855
July, 2020	561.5	450.00	262942	562.00	460.00	3540201
August, 2020	692.45	500.00	740702	695.00	505.00	8156304
September, 2020	623.4	499.9	6794768	623.20	500.20	37940715
October, 2020	568.85	421.9	614659	569.00	421.10	9781411
November, 2020	479.95	406.75	621043	479.80	406.40	7491867
December, 2020	491.75	406.5	716079	492.00	406.20	8387494
January, 2021	459.5	418.3	299096	459.95	418.05	3754431
February, 2021	455.35	364.25	1103551	455.90	317.00	6860517
March, 2021	392.75	317.05	565430	393.00	311.60	5757936

Share Performance of the Company in Comparison with broad based indices – S&P BSE SENSEX & CNX NIFTY



In case the securities are suspended from trading, the directors' report shall explain the reason thereof:

During the reporting period there are no instances of suspension of trading in the shares of the Company.

Registrar to an Issue and Share Transfer Agents:

Registrar and Transfer Agents (for shares held in both physical and demat mode)	Kfin Technologies Private Limited (Unit: Shilpa Medicare Limited.) Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana
Telephone Numbers	040-67162222 / 79611000
Contact Person	Ms. Krishnapriya
Email id:	priya.maddula@kfintech.com
Website	www.kfintech.com

Share Transfer System

KFin Technologies Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent. Share transfers are registered and processed in the normal course within a period of less than 15 days from the date of receipt if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrar and Share Transfer Agent has been delegated the power of share transfer to expedite the transfer formalities, which is in line with Schedule VII and Regulation 40 of the SEBI (Listing Obligations and Disclosure Regulations) 2015.

Distribution of shareholding as on 31st March, 2021.

Sl.No	Category	No of Cases	% of Cases	No of Shares	% to Equity
1.	1-5000	51968	99.08	8902497	10.92
2.	5001-10000	233	0.44	1727987	2.12
3.	10001-20000	111	0.21	1540113	1.89
4.	20001-30000	39	0.07	970844	1.19
5.	30001-40000	13	0.02	435694	0.53
6.	40001-50000	10	0.02	479608	0.59
7.	50001-100000	17	0.03	1283484	1.57
8.	100001 & Above	57	0.11	66186671	81.18
	Total	52448	100	81526898	

Shareholding Pattern as on 31st March, 2021.

Category	No of Shares Held	% of Capital
Indian Promoters	43409715	53.25
Banks, Financial institutions, Insurance Companies & Mutual Funds	2404801	2.95
Foreign Portfolio Investors	13233007	16.23
Indian Public & HUFs	13693515	16.80
Private Corporate Bodies	5000671	6.13
NRIs/OCBs/FCBs and Foreign Nationals	1743845	2.14
Others	2041344	2.50
Total	81526898	100

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of shareholders	% of total shareholders
81180274	99.58	52388	99.89

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialized is as under:

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/ she has opened a Depository Account;
- DP processes the DRF and generates a unique number viz. DRN;
- DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;
- The Company's Registrar & Share Transfer Agent, after processing the DRF, confirms the request to the depositories by cancellation of physical share certificates; and
- Upon confirmation, the depository gives the credit to shareholder in his/her depository account maintained with DP.

The breakup of Shares in demat and physical form as on 31st March, 2021 is as follows.

Particulars	No. of shares of ₹1 /- each	% of Shares
Demat Segment		
NSDL	33768068	41.42
CDSL	47412206	58.16
Sub-total	81180274	99.58
Physical segment	346624	0.42
Total	81526898	100.00

Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

No GDR/ADRs/ warrants or any convertible instruments have been issued by the Company during the year under review or are outstanding as at the end of the financial year 2020-21.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

Foreign Exchange risk and hedging activities: As your Company is mostly involved in exporting, it engages in hedging of foreign exchange risk in natural ways.

The Company hedges on import payables and export receivables, keeping in view the exchange parity at the time of export or import, as the case may be.

Plant Locations:

The Company's plants along with Research and Development Units are located at:

PLANT LOCATIONS

Unit I

Plot Nos. 1A, 1B, 2,
2A, 3A to 3E & 4A to 4C, 5A, 5B
Deosugur Industrial Area, Deosugur- 584170, Raichur.

EOU Unit:

100% EOU, Plot Nos. 33-33A,40 to 47,
Raichur Industrial Growth Centre, Wadloor Road, Chiksugur
Cross, Chiksugur-584134, Raichur.

SEZ UNIT:

Plot No. S-20 to S-26, Pharma SEZ
TSIIC Green Industrial Park, Pollepally Village, Jadcherla
Mandal, Dist - Mahabubnagar - 509301, Telangana

HYDERABAD UNIT:

Quality Control and Bioanalytical Division:
01st and 02nd Floor, Plot No. 79, Road No. 15, Survey No. 125,
IDA Mallapur, Nacharam, Uppal Mandal Medchal, Malkajgiri
Dist – 500 076, Hyderabad, Telangana, India

BIOLOGICALS UNIT:

Plot No: 532-A, Belur Industrial Area, Dharwad, Karnataka –
580011

BANGALORE UNIT

Plot No: 29-A5, Avverahalli Industrial Area, Bengaluru,
Karnataka – 562117

RESEARCH AND DEVELOPMENT UNITS

R & D Unit- Raichur:

Plot Nos. 33-33A, 40 to 47,
Raichur Industrial Growth Centre, Wadloor Road, Chiksugur
Cross, Chiksugur-584134, Raichur

Sravathi Advance Process Technologies & Sravathi AI Technology (R&D Units)

113/40, 1st Floor, 2nd Main Road, Rajajinagar Industrial
Town, Bengaluru, KARNATAKA – 560010

R&D Unit- Bengaluru

Plot No. 29 A5, 4th Phase (Avverahalli) Sompura Industrial
Area, Honnenahalli Village, Dobaspet, Nelamangala,
Bengaluru Rural – 562 111, Karnataka, India

FTF Pharma Pvt. Ltd. (R&D Unit)

Plot No.193 (Part) +211 (Part), Xcelon industrial park
Chak-de india weigh bridge road, Vasana chacharwadi,
Ahmedabad, Gujrat

WIND MILLS

Machine-1: Madkaripura, Dist. Chitradurga

Machine-2: Jogimatti, Dist. Chitradurga

Machine-3: Vanivilas Sagar, Dist. Chitradurga.

Machine-4: Kodameedipalli, Dist. Kurnool

Machine-5: Kalasapura; Dist. Gadag

Address for Correspondence:

Registered Office	Shilpa Medicare Limited, 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka
Telephone Numbers	08532-238704
Fax Number	08532-238876
Website	www.vbshilpa.com
Email-id:	cs@vbshilpa.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

ICRA Limited, in its letter dated 01st June, 2020, rated Long Term rating for the Line of Credit at (ICRA)A, and Short Term rating for the captioned Line of Credit at (ICRA) A1. Further India Rating and Research in its letter dated 11th December, 2020, rated Fund Based Working Capital Limits at IND A+/Stable/IND A1 and for term loans IND A+/Stable.

5. OTHER DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of listed entity at large:

All material transactions entered into with related parties as defined under the Companies Act and Regulation 23 of Listing Regulations during the financial year was in the ordinary course of business and these have been approved by the Audit Committee. The Board has approved a Policy for Related Party Transactions which has been uploaded on the Company's website at the following link: https://vbshilpa.com/pdf/related_party_policy.pdf

There have been no materially significant related party transactions between the Company and its directors, the management, subsidiaries or relatives, except for those disclosed in the Board's Report.

B. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Particulars of Non Compliance: Failure to take adequate steps to ensure expeditious redressal of investor complaints as envisaged under Regulation 13(1) of the SEBI (LODR) Regulations, 2015 for the quarter ended 30.06.2019.

Action Taken by Regulators: BSE Limited, vide its letter dated 01st August, 2019 levied a penalty of ₹ 23,000/- (exclusive of GST) on the Company for the said non-compliance

During the Financial Year 2018-19 there was unintentional delay of 1 (one) day in filing of the Shareholding Pattern for quarter ended 31.12.2018 under Regulation 31 of SEBI (LODR) Regulations, 2015 with BSE & NSE BSE & NSE have levied a penalty of ₹ 2,000/- each plus GST as per the Circular No. EBI/HO/CFD/CMD/CIR/P/2018/77 issued by the SEBI which was duly paid.

Furthermore, the Company got compounded in the Financial Year 2018-19 for the delay in filing Cost Audit Report for the year ended 31 March, 2015 under Section 148 read with Section 441 of the Companies Act 2013.

There was no other instance of non-compliance pertaining to stock exchanges, statutory authority or any other capital market regulator during the preceding three years.

C. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee;

The Company has formulated a Whistle Blower Policy and has also established a vigil mechanism for employees and directors to report genuine concerns and instances of fraud/ illegal activities and no personnel had been denied access to the Audit Committee. The Policy is placed on the website of the Company under the web link: https://vbshilpa.com/pdf/Whistle_Blower_Policy.pdf. As per the Policy and Internal Code of Conduct all personnel of the Company have been given access to the Chairman of Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements enumerated in the Listing Regulations and the Companies Act, 2013 read with the rules made thereunder and is also in compliance with non-mandatory requirements to maximum extent.

E. Weblink of the Policy for determining "material" subsidiaries is disclosed.

The Company has formulated a policy for determining 'material' subsidiaries and the policy is available on the Company's website under the web link: https://vbshilpa.com/pdf/Policy_on_Material_Subsiary.pdf

F. Web link of the policy on dealing with Related Party Transactions.

The Board has formulated a policy on Related Party Transactions and has revised it from time to time in the light of amendments to the Listing Regulations and the same is available on the Company's website under the web link: https://vbshilpa.com/pdf/related_party_policy.pdf

G. Disclosure of Commodity Price Risks and Commodity Hedging Activities:

The Company is not dealing in any commodities. Generally, the risk of raw-material price volatility continues to be there in the pharmaceutical industry depending on the demand, supply and availability substitute products of the product. The Company has a system to book up-front the raw-materials based on the customer orders to mitigate the price volatility in addition to that the Company always maintains raw-materials stocks at certain level based on the past data.

H. A certificate from Mr. D.S. Rao, P.S. Rao & Associates, Company Secretaries, Hyderabad stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority, has been enclosed separately to this Report

- I. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable
- J. Whether the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year: No
- K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	Amount (In Lakhs)
Name of Auditor	Brahmayya & Co.
Statutory Audit	17.00
Reimbursement of expenses	Nil

- L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosure pertaining to the complaints are given hereunder:

No of complaints received during the year	NIL
No of complaints disposed off during the year	NIL
No of complaints pending as on end of financial year	NIL

Non-compliance of any requirement of Corporate Governance Report, with reasons thereof shall be disclosed:

All the above requirements w.r.t. this Report have been complied with

The extent to which the discretionary requirements as specified in the Part E of Schedule II have been adopted.:

Discretionary Requirements

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

(i) The Board:

The office of Mr. Omprakash Innani, Non-Executive Chairperson, is maintained at the expense of the Company and he is allowed reimbursement of expenses incurred in performance of his duties, if any.

(ii) Shareholders Rights:

All quarterly financial results are submitted to both the stock exchanges and are simultaneously placed on the website of the Company at www.vbshilpa.com part from being published in the newspapers.

(iii) Modified opinion(s) in audit report

There are no modified opinions in the Audit Report for the financial year ended 31st March, 2021.

(iv) Reporting of Internal Auditor:

The Internal Auditor of the Company reports directly to the Chairman of the Audit Committee, stating his observations, if any.

The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
17A	Maximum Number of Directorship	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:

The Company has in place a comprehensive Code of Conduct (the Code) pursuant to Regulation 17(5) of Listing Regulations which is applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities.

A copy of the Code of Conduct has been placed on the Company's website www.vbshilpa.com. All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed to this Report.

CEO And CFO Certification:

The Managing Director has provided a certificate in compliance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report:

Compliance Certificate on the compliance of conditions of corporate governance pursuant to Para E of Schedule V to the SEBI (LODR) Regulations, 2015 from Mr. D.S. Rao, P.S. Rao & Associates, Company Secretaries, Hyderabad, is enclosed as an annexure to this Report.

Transfer of shares to Investor Education & Protection Fund (IEPF):

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") (as amended from time to time), the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to the IEPF. The Company has transferred 75 Shares (Cumulative shares as on 31st March, 2021 are 210811) equity shares of Re.1/- each to IEPF during the year. Details of these shares are available on the Company's website: www.vbshilpa.com.

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be placed on the Company's website: www.vbshilpa.com.

Unclaimed Equity Dividends and Shares:

Section 124(5) of the Companies Act, 2013 and Rules made thereunder mandates that dividends that are not encashed or claimed within seven years from the date of their transfer to the unpaid dividend account of the Company be transferred to the Investor Education and Protection Fund (IEPF).

The Company sends periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are informed that, in terms of Section 124(6) read with the IEPF Rules, once unclaimed dividend amount is transferred to the IEPF upon expiry of 7 years from the date of transfer to the Company's unclaimed dividend account, no claim shall lie in respect thereof with the Company.

Guidance for Investor to file claim:

The shareholders are requested to note that, after the above referred transfer(s) is made, refunds from the IEPF can be claimed only by complying with the provisions of Rule 7 of the said Rules.

Disclosures with respect to demat suspense account/ unclaimed suspense account:

Since no shares of the Company have been transferred to Demat Suspense Account/ Unclaimed Suspense Account in accordance with Regulation 39 of the SEBI (LODR) Regulations, 2015 read with Schedule VI thereto, disclosures w.r.t. the same are not applicable to the Company.

For and on behalf of the Board of Directors
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN: 01301385

Place: Raichur
Date: 02nd September, 2021

MANAGING DIRECTOR'S CERTIFICATION

To
The Board of Directors
Shilpa Medicare Limited

I, Vishnukant C. Bhutada, Managing Director of Shilpa Medicare Limited, certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year ended 31 March 2021 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c. That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Raichur
Date: 02nd September, 2021

Vishnukant C. Bhutada
Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, Vishnukant C. Bhutada, Managing Director, hereby declare that the Company has received declarations from all the Board Members and Senior Managerial Personnel affirming Compliance with the Code of Conduct for the Members of the Board and Senior Managerial Personnel for the year ended 31st March, 2021.

Place: Raichur
Date: 02nd September, 2021

Vishnukant C. Bhutada
Managing Director

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
SHILPA MEDICARE LIMITED
#12-6-214/A1, Hyderabad Road,
Raichur, Karnataka- 584135

We have examined the compliance of the conditions of Corporate Governance by Shilpa Medicare Limited (hereinafter referred to as "the Company") for the year ended March 31, 2021, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2021.

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

For P.S. Rao & Associates
Company Secretaries

D.S. RAO
Company Secretary
ACS No.: 12394
CP. No.: 14487
UDIN: A012394C000883836

Date: 02nd September, 2021
Place: Hyderabad

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
SHILPA MEDICARE LIMITED
#12-6-214/A1, Hyderabad Road,
Raichur, Karnataka- 584135

We have examined the relevant records, forms, returns and disclosures received from the directors of **SHILPA MEDICARE LIMITED** having CIN:L85110KA1987PLC008739 and having registered office at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka- 584135 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company for the financial year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of Director	Nature/ Category of Directorship	DIN
1	Vishnukanth Chaturbhuj Bhutada	Managing Director	01243391
2	Om Prakash Innani	Chairman, Non-Executive Director	01301385
3	Sharath Reddy Kalakota	Whole-time Director	03603460
4	Naresh Patwari	Non-Executive Director	03319397
5	Rajender Sunki Reddy	Independent Director	02284057
6	Pramod Kasat	Independent Director	00819790
7	Sirisha Chintapalli	Independent Director	08407008
8	Amit Chander\$	Independent Director	02406965
9	Piyush Goenka	Independent Director	02117859
10	Hetal Markand Gandhi@	Independent Director	00106895
11	Aravind Vasudeva@	Independent Director	00669039

\$ Ceased to be the Director w.e.f. October 02, 2020

@Co-opted as Additional Directors w.e.f. September 02, 2021

Ensuring eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 P.S. Rao & Associates
Company Secretaries

D.S. RAO

Company Secretary

ACS No.: 12394

CP. No.: 14487

UDIN: A012394C000883737

Date: 02nd September, 2021

Place: Hyderabad

Independent Auditor's Report

To the Members of SHILPA MEDICARE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SHILPA MEDICARE LIMITED** ("the company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of 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 ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Impairment of Investment in Subsidiaries, Associates and Joint Ventures</p> <p>As at March 31, 2021, the carrying amount of investment in investments in subsidiaries, associates and joint ventures is ₹ 15614.01 Lakhs. Further, the Company has also invested in preference share capital of the Subsidiaries and associate, the carrying amount of which as at March 31, 2021 is ₹ 6211.76 Lakhs.</p> <p>The carrying value of investment in subsidiaries, associates and joint ventures will be recovered through future cash flows and there is inherent risk that these assets will be impaired if these cash flows do not meet the Company's expectations.</p> <p>Refer to note 1.1 (q) in the Standalone Financial Statements for details of accounting policies on impairment of assets and related disclosures.</p> <p>Valuation of investment in subsidiaries, associates and joint ventures is a key audit matter due to:</p> <ul style="list-style-type: none"> The inherent complexity in auditing the forward-looking assumptions applied to recoverable value given the significant judgements involved. The key assumptions in the cash flow models include the forecast revenue, margins, terminal growth and discount rates. 	<p>Principal audit procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment under Ind AS, and around valuation of the business to determine recoverable value of the said investment. Assessed the appropriateness of methodology and valuation model used by the management to estimate the recoverable value of investments. Assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions used in management's calculated recoverable value Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc. based on historical results, current developments and future plans of the business estimated by management using expertise of our valuation specialist on required parameters. Performed sensitivity analysis of the key assumptions, including future revenue growth rates, future gross margins, and the discount rate applied in the recoverable value and considering the resulting impact on the impairment testing and whether selection of these key assumptions is appropriate. Based on our procedures, we also considered the adequacy of disclosures in respect of investment in the said subsidiaries, associates and joint ventures in the notes to the standalone financial statements.
<p>Minimum Alternate Tax (MAT) Credit Entitlement – Deferred tax assets</p> <p>The Company pays minimum alternate tax (MAT) under section 115JB of the Income Tax Act, 1961. The MAT paid would be available as an offset over a period of 15 years. The MAT credit is recognized as a deferred tax asset to be available for offset when the Company pays taxes under the provision of Income Tax Act, 1961. The balance of MAT credit receivable as at March 31, 2021 is ₹ 3182. 14 Lakhs (refer note 17 to the standalone financial statements).</p> <p>The recognition and recoverability of deferred tax asset on account of MAT credit requires significant judgement regarding the Company's future profitability and taxable income which will result in utilization of the MAT credit within the time limits available under the applicable Income tax laws.</p>	<p>Principal audit procedures</p> <p>In respect of such deferred tax assets, we assessed recoverability from a tax perspective by performing the following procedures:</p> <ul style="list-style-type: none"> Evaluating the design, implementation and operating effectiveness of the relevant internal controls over recognition and measurement of MAT credit assets. Understanding why the MAT credit entitlement arose and whether the MAT credit entitlement can be utilized. Assessed the sensitivity analysis applied by the Company and evaluated if any change in the assumptions will lead to any material change in carrying amount. assessing any restriction in use of the MAT credit entitlement and <p>Further, we assessed the applicability of Ind AS 12 Income Taxes by assessing management's assessment of recoverability of MAT credit entitlement against forecast income streams, including reliability of future income projections.</p> <p>We validated the appropriateness of the related disclosures in the standalone financial statements.</p>

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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 standalone 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

- 1) 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 the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) 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 standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow

statement dealt with by this Report are in agreement with the books of account,

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act,
- f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act,
- h) 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 has disclosed the impact of pending litigations on its financial position in its standalone 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 including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 0005135

(K.SHRAVAN)
Partner

Place : Hyderabad
Date : 31.05.2021

Membership No. 215798
UDIN: 21215798AAAIB2148

Annexure - A to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **SHILPA MEDICARE LIMITED**, for the year ended March 31, 2021.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. According to the information and explanation 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 names of the Company.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. According to the information and explanation given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a. The terms and conditions of such loans granted are not prejudicial to the interest of the Company.
 - b. The schedule of repayment of principal and payment of interest has been stipulated in the agreement and repayments or receipts of principal amounts and interest have been made as per stipulations.
 - c. There were no overdue amounts in respect of the loan granted to a Company covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a. According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at March 31, 2021 for a period more than six months from the date they became payable.
 - b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks during the year.
9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed were applied for the purposes for which those are raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 21215798AAAAIB2148

Place : Hyderabad
Date : 31.05.2021

Annexure – B to the Auditor's Report

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

We have audited the internal financial controls with reference to standalone financial statements of **SHILPA MEDICARE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both issued by ICAI. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and 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 financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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 ICAI.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 21215798AAAIB2148

Place : Hyderabad
Date : 31.05.2021

Standalone Balance Sheet

As at 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	60,258.84	47,831.47
(b) Right-of-use assets		2,170.11	2,207.88
(c) Capital work-in-progress	3	29,718.62	24,417.71
(d) Intangible assets	4	1,660.66	1,660.80
(e) Intangible assets under development	5	18,515.97	12,862.89
(f) Financial assets	6		
(i) Investments		21,931.77	9,348.42
(ii) Loans		35,793.95	9,617.65
(iii) Other financial assets		675.37	1,047.62
(g) Other non-current assets	7	2,990.17	2,364.68
Total Non-Current Assets		173,715.46	111,359.12
Current Assets			
(a) Inventories	8	29,907.90	20,623.40
(b) Financial assets	9		
(i) Investments		-	-
(ii) Trade receivables		21,826.57	22,654.40
(iii) Cash and cash equivalents		11,501.22	2,793.67
(iv) Other bank balance other than (iii) above		26.08	24.85
(v) Loans		1.29	1.25
(vi) Others financial assets		6,617.38	35,757.24
(c) Other current assets	10	7,415.21	7,261.29
(d) Current tax assets (net)	11	728.23	864.02
(e) Assets held for sale	12	-	789.19
Total Current Assets		78,023.88	90,769.31
TOTAL ASSETS		251,739.34	202,128.43
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	815.27	815.27
(b) Other equity	14	162,967.91	144,526.93
Total Equity		163,783.18	145,342.20
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	15		
(i) Borrowings		33,076.56	16,448.36
(ii) Others		500.00	-
(b) Provisions	16	1,376.25	872.48
(c) Deferred tax liabilities (Net)	17	5,683.68	3,038.84
(d) Other non-current liabilities	18	574.47	440.41
Total Non Current Liabilities		41,210.96	20,800.09
Current Liabilities			
(a) Financial Liabilities	19		
(i) Borrowings		24,190.38	15,640.09
(ii) Trade Payables			
- Total outstanding dues of micro and small enterprises		760.65	547.98
- Total outstanding dues of other than micro and small enterprises		4,930.31	7,115.47
(iii) Other financial liabilities		14,253.65	10,112.07
(b) Other current liabilities	20	1,692.42	1,873.39
(c) Provisions	21	917.79	697.14
Total Current Liabilities		46,745.20	35,986.14
TOTAL EQUITY & LIABILITIES		251,739.34	202,128.43

The accompanying notes form an integral part of the standalone financial statements 01 to 53

As per our report of even date attached
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration No. 0005135

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Vishnukant Bhutada
Managing Director
DIN : 01243391

Standalone Statement of Profit and Loss

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Continuing operations :			
Income:			
Revenue from operations			
(a) Sales	22	80,412.88	71,628.93
(b) Service and license fees	23	2,618.71	8,968.18
Total revenue from continuing operations		83,031.59	80,597.11
(c) Other Income	24	3,390.02	1,126.28
Total Income		86,421.61	81,723.39
EXPENSES			
(a) Cost of materials consumed	25	30,357.21	27,590.29
(b) Purchases of stock-in trade	26	781.16	392.94
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	27	(5,478.85)	(1,426.46)
(d) Employee benefits expense	28	17,562.36	14,927.86
(e) Finance costs	29	1,746.84	432.89
(f) Depreciation and amortisation expenses	2&4	4,084.80	3,495.73
(g) Other expenses	30	17,109.02	14,621.95
Total Expenses		66,162.54	60,035.20
Profit before exceptional item and tax from continuing operations		20,259.07	21,688.19
Exceptional income / (expense)	31	5,294.81	(454.20)
Profit before tax from continuing operations		25,553.88	21,233.99
Tax expense of continuing operations			
a) Current Tax		4,469.86	3,909.38
b) Deferred Tax (net of MAT credit)		2,644.84	505.18
Total tax expenses		7,114.70	4,414.56
Profit for the year from continuing operations		18,439.18	16,819.43
Discontinued operations :			
Profit/ (loss) before tax from discontinued operation		-	2,164.83
Tax expense/(credit) of discontinued operation		-	(387.58)
Profit for the year from discontinued operations		-	2,552.41
Profit for the year		18,439.18	19,371.84
Other comprehensive Income / (Expenses)			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		(14.80)	(124.99)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges (net of tax)		16.59	4.83
Total other comprehensive income / (loss) for the year		1.79	(120.16)
Total comprehensive income for the year		18,440.97	19,251.68
Earning per equity share, par value of ₹1/- each			
Continuing operations :			
Basic (₹)		22.62	20.63
Diluted (₹)		22.62	20.63
Discontinued operations :			
Basic (₹)		-	3.13
Diluted (₹)		-	3.13

The accompanying notes form an integral part of the standalone financial statements 01 to 53

As per our report of even date attached for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration No. 000513S

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Vishnukant Bhutada
Managing Director
DIN : 01243391

Standalone Statement of Changes in Equity

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

A. Equity Share Capital

Particulars	Total
Balance as at 01 April, 2019	815.27
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	815.27
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	815.27

B. Other Equity

Particulars	Securities Premium	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)			Gain on forfeiter of equity shares	Total
				Cash flow hedge reserve	Remeasurement of defined benefit plan			
Balance as at 01 April, 2019	42,863.88	5,182.68	79,497.39	(46.74)	(166.73)	8.76	127,339.24	
Profit for the year	-	-	19,371.84	-	-	-	19,371.84	
Other Comprehensive income, net of tax	-	-	-	4.83	(124.99)	-	(120.16)	
Dividend including dividend distribution tax	-	-	(2,063.99)	-	-	-	(2,063.99)	
Balance as at 31 March, 2020	42,863.88	5,182.68	96,805.24	(41.91)	(291.72)	8.76	144,526.93	
Profit for the year	-	-	18,439.18	-	-	-	18,439.18	
Other Comprehensive income, net of tax	-	-	-	16.59	(14.79)	-	1.80	
Dividend including dividend distribution tax	-	-	-	-	-	-	-	
Balance as at 31 March, 2021	42,863.88	5,182.68	115,244.42	(25.32)	(306.51)	8.76	162,967.91	

The accompanying notes form an integral part of the standalone financial statements 01 to 53

Note:

- Securities premium:** This reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- General Reserve:** This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Cash flow hedge reserve:** This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.
- Remeasurements of the net defined benefits plan:** This reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 0005135

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Vishnukant Bhutada
Managing Director
DIN : 01243391

Standalone Statement of Cash Flow

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax from		
- Continuing Operations	25,553.88	21,233.99
- Discontinued Operations	-	2,164.83
Adjustments for:		
Depreciation and amortisation expenses	4,084.80	3,846.33
Interest income	(1,991.44)	(701.80)
Liabilities/ Provision written back	(680.67)	(31.94)
Finance cost	1,746.84	437.43
Dividend income	(311.97)	(263.50)
(Profit) / Loss on sale of Asset	40.34	5.63
Bad Debts written Off	35.97	13.73
Provision for gratuity and compensated absence	387.99	271.02
Corporate Guarantee fees	(105.80)	(6.02)
Capital Subsidy (Grants)	(11.06)	(20.70)
Unrealised foreign exchange (gain)/loss	(446.60)	(858.43)
Gain on Disposal of Discontinued Operation (Refer Note 49)	-	(3,685.04)
Net gain recognised on sale of stake in Associate company	(5,294.80)	-
Provision for Diminution in the value of Investment- exceptional	-	454.20
Operating Profit before working capital changes	23,007.48	22,859.73
Movement in Working Capital		
Decrease/(increase) in inventories	(9,284.51)	(3,522.32)
Decrease/(increase) in trade receivables	954.57	(3,741.35)
Increase / (decrease) trade payables	(1,297.71)	378.88
Decrease / (increase) in financial and non financial assets	(3,350.00)	(3,693.09)
Increase / (decrease) in financial liabilities and other liabilities	2,375.24	4,782.97
Cash Generated from Operations	12,405.07	17,064.82
Taxes Paid	4,334.07	4,085.44
Net Cash flow generated /(used) from operating activities (A)	8,071.00	12,979.38
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets	(16,725.68)	(7,996.81)
Expenditure on CWIP	(10,953.98)	(25,624.03)
Proceeds from sale of assets	211.08	254.87
Loan given to subsidiaries and others	(28,338.23)	(2,259.96)
Recovery of loans from subsidiaries and others	2,500.00	513.29
Purchase of Investments	(12,083.36)	(898.50)
Proceeds from sale of business on slump sale	33,660.00	-
Proceeds from sale of stake in Associate Company	6,084.00	-
Movment in other bank balances	(1.22)	6,001.80
Interest Received	677.63	499.39
Dividend Relieved	48.47	0.40
Net cash flow generated/(used) from investing activities (B)	(24,921.29)	(29,509.55)

Standalone Statement of Cash Flow (Cont..)

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Cash flows from Financing Activities		
Proceeds from/(repayment of) long-term loans and borrowings (net)	18,767.00	11,714.74
Proceeds from/(repayment of) short-term loans and borrowings (net)	8,501.97	7,768.50
Payment of lease liabilities	(27.99)	(13.31)
Dividend paid including DDT	-	(2,063.98)
Interest paid	(1,683.14)	(395.50)
Net cash flow generated/(used) from financing activities (C)	25,557.84	17,010.45
Net increase in cash and cash equivalents (A+B+C)	8,707.55	480.28
Cash and cash equivalents at the beginning of the year	2,793.67	3,052.95
Cash balance transferred to discontinued operations	-	(739.56)
Cash and cash equivalents at the end of the year	11,501.22	2,793.67
Component of Cash and Cash Equivalent	11,501.22	2,793.67
Cash in Hand	31.26	22.80
Balance with Banks in current account	537.89	2,770.87
Deposits with original maturity of less than 3 month	10,932.07	-

The accompanying notes form an integral part of the standalone financial statements 01 to 53

Note:

1. Previous year figures have been reclassified wherever necessary.
2. Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 0005135

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Vishnukant Bhutada
Managing Director
DIN : 01243391

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

CORPORATE INFORMATION

Shilpa Medicare Limited (SML) is a listed Company engaged in the manufacturing of API, Formulation and Development service. Shilpa Medicare Limited (SML) started its operations as API manufacturer way back in 1987 at Raichur, Karnataka-India. The Company started its commercial production in November 1989. In November 1993, Shilpa Medicare Limited was converted into a Public Limited Company. The Company was listed on Bombay Stock Exchange on June 19, 1995 and National Stock Exchange (NSE) on December 03, 2009. Subsequently Shilpa Medicare has gained World Health Organization-Good Manufacturing Practices (GMP) Certificate recognition.

SML is presently dealing in high-quality Active Pharmaceutical Ingredients (APIs), Intermediates, Formulations, New Drug Delivery Systems, Peptides / Biotech products and Specialty Chemicals etc. using sophisticated technology meticulously in order to comply with laid down international standards/specifications. Today SML is among the world's leading suppliers of Oncology/Non-Oncology APIs and intermediates.

1. Basis of Preparation of Financial Statements

I. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the Company.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date March 31, 2021. The accounting policies are applied consistently to all the periods presented in the financial statements. The Standalone financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors on May 31, 2021.

II. Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis, except for the following assets and liabilities

which have been measured at fair value wherever applicable

- Derivative financial instruments
- Certain financial assets / liability measured at fair value,
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

III. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company. All amounts have been rounded-off to the nearest lakhs unless otherwise stated.

IV. Current v/s Non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it satisfies the below mentioned criteria:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it satisfies the below mentioned criteria:

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

1.1 Significant Accounting Policies

Critical accounting 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 and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (h))
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.1(a))
- Recognition of deferred taxes (Note 1.1 (r))
- Estimation of impairment (Note 1.1 (d))
- Estimation of provision and contingent-liabilities (Note 1.1 (s))
- Business Combination (Note-1.1(e))

a) Property, Plant and Equipment & Depreciation:

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- iv. Depreciation on Fixed Assets is provided on ascertained useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act 2013, with exception of those assets whose useful life is ascertain by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

b) Intangible Assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

Intangible Assets include capitalized expenditure on filing and registration of any Drug Master File (DMF) or Abbreviated New Drug Application (ANDA) and compliance with regulatory procedures of the USFDA, in filing such DMF or ANDA, which are in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements. The cost of each DMF/ANDA is amortized over its estimated useful life from the date on which the amount has been capitalized.

c) Research and Development:

All expenditure on research activities are recognized in the Profit and Loss Statement when incurred. Expenditure on development activities are also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed product are capitalized. The Company's criteria for capitalization of such assets are consistent with the guidance given in paragraph 25 of Ind AS 38 (receipt of economic benefit out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

d) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

e) Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the

date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises on account of such business combination is tested annually for impairment.

f) Non-Current asset held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Held for Sale".

g) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) 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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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 plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense/(income) on the net defined (liability)/assets is computed by applying the discount rate, used to measure the net defined (liability)/asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

i) Cash and Cash Equivalent:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of bank overdraft.

j) Dividends to Shareholders:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by

the shareholders. Any interim dividend paid is recognised on approval by Board of Directors, Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

k) Leases:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

l) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Sale of products:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, Amount disclosed as revenue are excluding goods and service tax (GST), sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net off returns, trade discounts, rebates and any amount collected on behalf of third parties.

ii. Development Revenue:

Development revenue are recognized over the time period of the development activity and are recognized on the completion of each mile- stones as per term of the agreement.

iii. Recognition of Export benefits:

Export benefit entitlements in respect of incentive schemes including Merchandise Export Incentive Scheme (MEIS) and Focus Product Scheme (FPS) of the government of India are recognized in the period in which they are approved.

m) Other Income:

- i. Interest Income is recognized using the Effective interest rate (EIR) method.
- ii. Dividend income is recognized when right to receive is established.

- iii. The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants is received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Grants related to income are recognised in the profit & loss account under other income.

n) Foreign Currency Transactions/

Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

o) Government Grant:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as 'Deferred Government Grant' and are credited to profit & loss account under other income on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

p) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments are reduced from the borrowing cost.

q) Financial Instrument:

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

l) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are

classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized Cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- Trade receivables
- Loans
- Other financial assets

(b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable

Investments in subsidiaries, associates and joint venture:

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition of financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of financial Assets:

In accordance with Ind AS 109, the

company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- Financial Assets that are debt instruments and are measured at FVTOCI.
- Lease receivables under Ind AS 17.
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured at FVTPL
- Financial guarantee contracts which are not measured at FVTPL

II) Financial Liability:

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

III. Derivative financial instrument and hedge accounting:

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r) Taxes on Income:

Tax expense comprises of current and deferred tax.

- I. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.
- II. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured

based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- III. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

s) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

t) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

u) Earnings per share:

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

v) Exceptional Items:

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence

that their separate disclosure is considered necessary to explain the performance of the Company.

1.2 Recent accounting pronouncements :

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block		
	As at 01 April, 2020	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2021	As at 01 April, 2020	For the Year		Deduction/ Adjustment during the Year	
a) Borewell	19.90	-	-	19.90	17.19	0.67	-	17.86	2.04
b) Building	11,509.59	5,065.59	-	16,575.18	2,661.06	408.18	-	3,069.24	13,505.94
c) Canteen Equipment	17.76	34.88	-	52.64	12.49	2.99	-	15.48	37.16
d) Computer	745.80	161.07	(4.99)	901.88	629.43	63.14	(4.69)	687.88	214.00
e) Electrical Installation	4,374.62	1,685.35	(36.81)	6,023.16	2,192.02	366.40	(24.13)	2,534.29	3,488.87
f) ETP Building	565.85	-	-	565.85	187.75	17.73	-	205.48	360.37
g) ETP Machinery	530.58	223.23	-	753.81	158.80	24.70	-	183.50	570.31
h) EHS Equipment	50.61	114.40	(0.06)	164.95	16.57	6.76	(0.01)	23.32	141.63
i) Furniture	1,521.09	346.95	(8.84)	1,859.20	667.61	180.87	(4.43)	844.05	1,015.15
j) Land & Green Field	1,092.96	26.88	-	1,119.84	-	-	-	-	1,119.84
k) Lab Equipments	7,275.25	1,334.05	(171.52)	8,437.78	3,685.95	651.15	(106.30)	4,230.80	4,206.98
l) Network Server equipment	160.92	98.78	(18.47)	241.23	58.76	30.40	(3.84)	85.32	155.91
m) Office Equipment	154.13	51.71	(0.83)	205.01	96.78	21.32	(0.32)	117.78	87.23
n) P/M (Power Generation Unit)	3,843.04	-	-	3,843.04	2,107.90	103.97	-	2,211.87	1,631.17
o) Pipeline	4,076.28	448.13	-	4,524.41	1,198.53	185.91	-	1,384.44	3,139.97
p) Plant & Machinery	34,463.03	6,786.71	(135.74)	41,114.00	9,036.37	1,623.84	(32.29)	10,627.92	30,486.08
q) Pollution Control Equipment	37.07	-	-	37.07	30.55	0.84	-	31.39	5.68
r) Vehicle	225.75	5.15	(62.49)	168.41	93.10	25.19	(27.69)	90.60	77.81
s) Vehicles Electrical Operated	40.36	-	-	40.36	25.41	4.92	-	30.33	10.03
t) Weigh bridge	8.42	-	-	8.42	5.27	0.48	-	5.75	2.67
Total	70,713.01	16,382.88	(439.75)	86,656.14	22,881.54	3,719.46	(203.70)	26,397.30	60,258.84

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block		
	As at 01 April, 2020	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2021	As at 01 April, 2020	For the Year		Deduction/ Adjustment during the Year	
a) Computer software	1,004.94	125.49	-	1,130.43	461.01	163.16	-	624.17	506.26
b) Technical Know How	236.78	217.32	-	454.10	11.51	34.64	-	46.15	407.95
c) DMF/ANDA/Patents Fees	1,436.96	-	-	1,436.96	545.36	145.15	-	690.51	746.45
Total	2,678.68	342.81	-	3,021.49	1,017.88	342.95	-	1,360.83	1,660.66

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block			
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2020	As at 01 April, 2019	For the Year		Deduction/ Adjustment during the Year		
a) Borewell	25.39	0.40	-	19.90	16.23	0.96	-	17.19	2.71	
b) Building	11,285.75	223.84	-	11,509.59	2,303.06	358.00	-	2,661.06	8,848.53	
c) Canteen Equipment	17.76	-	-	17.76	9.68	2.81	-	12.49	5.27	
d) Computer	791.14	38.77	(8.41)	745.80	605.32	65.54	(7.99)	(33.44)	629.43	
e) Electrical Installation	3,785.18	680.33	(29.71)	4,374.62	1,951.77	282.21	(27.36)	(14.60)	2,192.02	
f) ETP Building	565.85	-	-	565.85	170.02	17.73	-	187.75	378.10	
g) ETP Machinery	508.65	21.93	-	530.58	135.75	23.05	-	158.80	371.78	
h) EHS Equipment	46.26	4.35	-	50.61	11.96	4.61	-	16.57	34.04	
i) Furniture	1,452.49	128.59	(16.67)	1,521.09	544.01	134.28	-	(10.68)	667.61	
j) Land & Green Field	1,419.38	-	-	1,092.96	-	-	-	-	1,092.96	
k) Lab Equipments	8,698.76	568.93	(111.95)	7,275.25	3,431.55	585.09	(54.84)	(275.85)	3,685.95	
l) Network Server equipment	129.89	31.03	-	160.92	36.37	22.39	-	58.76	102.16	
m) Office Equipment	169.48	9.46	-	154.13	80.23	22.37	-	(5.82)	96.78	
n) P/M (Power Generation Unit)	3,843.04	-	-	3,843.04	2,003.93	103.97	-	2,107.90	1,735.14	
o) Pipeline	3,639.75	436.53	-	4,076.28	1,036.46	162.07	-	1,198.53	2,877.75	
p) Plant & Machinery	29,526.10	5,031.97	(95.04)	34,463.03	7,708.42	1,358.56	(30.61)	-	9,036.37	
q) Pollution Control Equipment	37.07	-	-	37.07	30.16	0.39	-	-	30.55	
r) Vehicle	263.44	-	(37.69)	225.75	98.55	26.57	(32.02)	-	93.10	
s) Vehicles Electrical Operated	34.31	6.05	-	40.36	20.91	4.50	-	25.41	14.95	
t) Weigh bridge	8.42	-	-	8.42	4.81	0.46	-	5.27	3.15	
Total	66,248.11	7,182.18	(299.47)	70,713.01	20,199.19	3,175.56	(152.82)	(340.39)	22,881.54	47,831.47

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block			
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2020	As at 01 April, 2019	For the Year		Deduction/ Adjustment during the Year		
a) Computer software	939.47	94.70	-	1,004.94	327.02	142.57	-	(8.58)	461.01	
b) Technical Know How	-	236.78	-	236.78	-	11.51	-	-	11.51	
c) DMF/ANDA/Patents Fees	1,446.71	-	(4.39)	1,436.96	401.20	145.09	(0.93)	-	545.36	
d) Non compete Agreement	1,045.00	-	-	1,045.00	321.40	-	-	(321.40)	-	
Total	3,431.18	331.48	(4.39)	2,678.68	1,049.62	299.17	(0.93)	(329.98)	1,017.88	1,660.80

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Machinery under erection	3,115.02	2,386.34
b) Projects under erection	26,603.60	22,031.37
Total	29,718.62	24,417.71

5 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Software under installation	86.52	103.07
b) Product under development	18,226.15	12,688.30
c) DMF /ANDA/Patents Fees	203.30	71.52
Total	18,515.97	12,862.89

6 FINANCIAL ASSETS

(i) Non-Current Investments

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Investments in Equity Instruments (Unquoted)		
I) In Subsidiary Companies		
i) 2,000 (2,000) shares of Euro 1.71 each in Zatortia Holdings Ltd, Cyprus.	2,028.91	2,028.91
ii) 1,837,634 (1,837,634) shares of ₹ 10 each in Shilpa Therapeutic (P) Ltd, Hyderabad.	1,112.46	1,033.76
iii) 1,500,000 (1,125,000) shares of ₹ 10 each in INM Technologies Pvt. Ltd., Bangalore.	113.25	112.50
iv) 100 (100) shares of GBP 1 each in Koanaa Healthcare Limited, UK.	0.10	0.10
v) Investment in shares of Koanaa Healathcare GmbH, Austria.	77.63	77.63
vi) 100 (100) shares of USD 1 each in Shilpa Pharma INC., USA.	0.07	0.07
vii) 3,000,000 (1000) shares of ₹ 100 each in Shilpa Biologicals Pvt. Ltd., Hubli.	3,360.93	1.00
viii) 7,412,620 (10,000) shares of ₹ 10 each in Shilpa Biocare Pvt. Ltd. (Erstwhile Shilpa Albumin Pvt. Ltd.), Raichur.	742.26	1.00
ix) 1000 (NIL) shares of CAD 0.1 each in Koanaa Healthcare Canada Inc., Canada.	0.06	-
x) 7,812,800 (NIL) shares of ₹ 10 each in Shilpa Corporate Holdings Pvt. Ltd., Raichur.	781.28	-
xi) 25,000 (NIL) shares of RM 1 each in Indo Biotech SDN.BHD. Malaysia.	4.42	-
xii) 307,697 (NIL) shares of ₹ 10 each in FTF Pharma Pvt. Ltd. Gujarat.	6,577.97	-
xiii) 10 (NIL) shares of AED 1000 each in Koanaa International FZ-LLC, Dubai.	1.98	-
II) In Associate Companies		
i) 100,000 (100,000) shares of ₹ 10 each in Reva Pharmachem Pvt. Ltd., Raichur.	10.00	10.00

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
III) In Joint Venture Companies		
i) 5,001 (5,001) share of ₹ 10 each in Reva Medicare Pvt. Ltd., Raichur.	0.50	0.50
ii) 65,000 (65,000) shares of ₹ 10 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	6.50	6.50
b) Investments in Preference Instruments (Unquoted)		
I) In Subsidiary Companies		
i) 4,00,000 (4,00,000) 8 % compulsory redeemable cumulative preference shares of ₹ 10 each in Shilpa Therapeutic Pvt. Ltd., Hyderabad.	40.00	40.00
ii) 3,25,37,670 (3,25,37,670) 8% non-convertible non-participating redeemable cumulative preference shares of ₹ 10 each in INM Technologies Pvt. Ltd., Bangalore.	3,253.77	3,253.77
iii) 99,30,000 (99,30,000) 8% non-convertible non-participating non-cumulative preference shares of ₹ 10 each in INM Technologies Pvt. Ltd., Bangalore.	993.00	993.00
iv) 3,900,012 (NIL) convertible preference shares of ₹ 10 each in FTF Pharma Pvt. Ltd. Gujarat.	390.00	-
II) In Joint Venture/Associate Companies		
i) 1,400,000 (1,400,000) Preferred Stock at par value of USD 0.0001 each in MAIA Pharmaceuticals INC., USA.	795.69	795.69
ii) 1,535,000 (840,000) non-cumulative non-participating convertible preference shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	1,535.00	840.00
iii) Application money for NIL (50,000) non-cumulative non-participating convertible preference shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	-	50.00
c) Investments in Common Stock (Unquoted)		
I) In Subsidiary Companies		
i) 1,892,308 (1,892,308) common stock @ par value of USD 0.001 in Makindus LLC., USA.	-	454.20
d) Investments in Government Securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
e) Others		
I) Investments in Equity Instruments (Unquoted)		
i) 741,362 (741,362) shares of ₹ 14 each of Prathijna Sustainable Solutions Pvt. Ltd., Bangalore.	103.79	103.79
ii) 2,000 (NIL) shares of ₹ 100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	-
	21,931.77	9,802.62
Less: Provision for diminution in the value of investments	-	(454.20)
Total value of unquoted investment	21,931.77	9,348.42
Aggregate value of unquoted investment	21,931.77	9,348.42
Aggregate amount of impairment in the value of investments in the unquoted equity shares	-	454.20

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(ii) Loans

Particulars	As at 31 March, 2021	As at 31 March, 2020
Considered good, unsecured		
(i) Shilpa Therapeutic Pvt. Ltd. (Wholly owned subsidiary)	3,363.30	5,208.55
(ii) Koanaa Healathcare GmbH, Austria. (Wholly owned subsidiary)	4,373.38	3,387.99
(iii) Koanaa Healthcare Limited, UK. (Wholly owned subsidiary)	789.16	418.12
(iv) Shilpa Pharma INC., USA. (Wholly owned subsidiary)	826.93	602.99
(v) Shilpa Biologicals Pvt. Ltd., Hubli. (Wholly owned subsidiary)	25,206.00	-
(vi) Koanaa Healthcare Canada Inc., Canada. (Wholly owned subsidiary)	378.85	-
(vii) Indo Biotech SDN.BHD. Malaysia. (Wholly owned subsidiary)	808.55	-
(viii) Koanaa International FZ-LLC, Dubai. (Wholly owned subsidiary)	47.78	-
Total	35,793.95	9,617.65

(iii) Other Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	401.51	401.51
(ii) Rental deposits	16.81	80.76
(iii) Telephone deposits	0.65	0.65
(iv) Miscellaneous deposits	82.13	20.89
Total (a)	501.10	503.81
b) Cross currency swap account	174.27	543.81
Total (b)	174.27	543.81
Total (a + b)	675.37	1,047.62

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Capital advances		
(i) Unsecured, considered good	2,803.45	2,247.56
Less: Written off	-	-
Total (a)	2,803.45	2,247.56
b) Others		
(i) Income Tax paid under protest	43.33	43.33
(ii) VAT on Capital Goods & Other Items	41.78	41.78
(iii) Prepaid Expenses	101.61	32.01
Total (b)	186.72	117.12
Total (a+b)	2,990.17	2,364.68

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

8 INVENTORIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Raw materials	13,324.83	11,158.23
(ii) Work-in-progress	3,373.35	1,853.85
(iii) Finished goods	8,784.18	5,005.57
(iv) Stock-in-trade	415.29	234.55
(v) Stores and Spares	2,866.61	1,503.56
(vi) Packing materials	1,143.64	867.64
Total	29,907.90	20,623.40

9 FINANCIAL ASSETS

(i) Current Investment

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investment in Bonds	1,437.39	1,437.39
Total	1,437.39	1,437.39
Less : Provision for diminishing in the value of Investment	1,437.39	1,437.39
Total value of unquoted investment	-	-
Aggregate value of unquoted investment	-	-

(ii) Trade Receivables (Refer Note 52)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
(a) Considered good	21,826.57	22,654.40
Total (a)	21,826.57	22,654.40
(b) Significant increase in credit risk	35.97	13.72
Less : Written-off	(35.97)	(13.72)
Total (b)	-	-
Total (a+b)	21,826.57	22,654.40

Note : Trade receivable in above note no: 9 (ii) (a) includes ₹ 731.04 (PY ₹ 269.14) is receivable from related parties (refer note no: 45 Related Party Transaction)

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
i) Cash on Hand	31.26	22.80
ii) Balance with Banks in current account	537.89	2,770.87
iii) Deposit with original maturity of less than 3 months	10,932.07	-
Total	11,501.22	2,793.67

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2021	As at 31 March, 2020
Earmarked Balances		
(i) Unclaimed dividend accounts	26.08	24.85
Total	26.08	24.85

(v) Loans

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Unsecured, considered good		
(i) Zatortia Holdings Ltd (Wholly owned subsidiary)	1.29	1.25
Total	1.29	1.25

(vi) Other Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Income accrued and due	638.84	72.77
b) CST receivable	-	34.81
c) Staff advance	30.56	181.73
d) Tender deposits	8.74	8.49
e) Fixed deposits having maturity less than 12 months and held as margin money	3,184.32	92.71
f) Interest accrued on fixed deposits/others	1,548.09	533.19
g) Export incentives in hand	-	230.22
h) Dividend accrued on preference shares	1,206.83	943.32
i) Receivable from subsidiary against business sale	-	33,660.00
Total	6,617.38	35,757.24

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) CENVAT receivable	0.17	46.92
b) Prepaid Expenses	600.47	597.47
c) Advances to supplier/ receivables	856.82	1,868.52
d) CGST /IGST /SGST receivable	5,957.75	4,748.38
Total	7,415.21	7,261.29

11 CURRENT TAX ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Income tax (Net)	728.23	864.02
Total	728.23	864.02

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

12 ASSETS HELD FOR SALE

Particulars	As at 31 March, 2021	As at 31 March, 2020
NIL (452,793) equity shares of ₹ 10 each in Raichem Medicare Pvt. Ltd., Raichur. (Associate)	-	789.19
Total	-	789.19

13 EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021	As at 31 March, 2020
Authorised share capital		
95,000,000 (PY 95,000,000) shares face value of Re. 1/- each.	950.00	950.00
	950.00	950.00
Issued, subscribed & fully paid up capital		
Opening Balance	815.27	815.27
Changes During the Year	-	-
Closing Balance	815.27	815.27
81,526,898 (P.Y. 81,526,898) shares face value of Re. 1/- each.	815.27	815.27

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.s	Amount	No.s	Amount
Shares outstanding at the beginning of the year	81,526,898	815.27	81,526,898	815.27
Add : Issued during the year face value of Re. 1/- each.	-	-	-	-
Shares outstanding at the end of the year	81,526,898	815.27	81,526,898	815.27

(b) Rights, preference and restriction attached to each class of shares :

Equity Shares:

The Company has only one class of equity shares having par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
(i) Vishnukant .C. Bhutada	6,365,610	7.81	8,086,012	9.92
(ii) Dharmavati Bhutada	6,207,796	7.61	6,207,796	7.61
(iii) Tano Mauritius India FVCI II	4,979,605	6.11	6,179,506	7.58
(iv) Baring India Private Equity III Limited	-	-	6,000,000	7.36

(d) Details of Equity Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Particulars	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Shares issue to Director of Navya Biological Pvt. Ltd. on account of merger	-	-	1,399,994	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

14 OTHER EQUITY

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Securities Premium Account	42,863.88	42,863.88
b) General Reserves	5,182.68	5,182.68
c) Retained Earning	115,244.42	96,805.24
d) Other comprehensive income (OCI)		
i) Cash flow hedge reserve	(25.32)	(41.91)
ii) Remeasured of defined benefit plan	(306.51)	(291.72)
e) Gain on Forfeiture of Equity share	8.76	8.76
Total	162,967.91	144,526.93

15 FINANCIAL LIABILITIES

(i) Long Term Borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
Term Loans		
a) From Banks (secured)		
I) SCB-External Commercial Borrowings	-	2,120.23
Nature of Security		
ECB of USD 15 MN is taken from Standard Chartered Bank, London(SCB) and the said facility is secured by first pari passu charge on moveable and immovable fixed asset of SEZ unit and plant & machinery of Deosugur unit, including proposed capex created out of such loan and personal guarantees given by two (02) of its Directors. The Company had entered into hedge contract with bank on the said facility.		
Terms of Repayment & Interest Rate:		
Repayment of ECB Loan from SCB have a moratorium period of 15 months and would be repayable in 16 quarterly installments with the final installment falling due at the end of the 60th month from the date of grant of loan. The loan is repayable of ₹ 62.34 MN quarterly. Further the Company has hedge principal amount of USD 15 MN @ 66.50 with fixed interest at 8.90% payable monthly.		
II) HDFC - Term Loan	6,976.56	6,828.13
Nature of Security		
Term loan of ₹ 1000 MN taken from HDFC, Hyderabad and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I, Raichur, second pari passu charge on SEZ unit, Jadcherla and personal guarantees given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
5% Repayment is payable in the first year in equal quarterly installment and remaining 95% in four (04) years in equal quarterly installment from the date of disbursement. Interest chargeable at 8% linked to repo rate with reset on every three month.		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
III) HSBC - Term Loan	10,000.00	7,500.00
Nature of Security		
Term loan of ₹ 1000 MN taken from HSBC, Bangalore and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I situated at Deosugur and exclusive charge on Unit-II situated at Chicksugur and personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from HSBC with a moratorium period of 12 months and would be repayable in 16 rear ended quarterly installments of ₹ 62.50 MN with the final installment falling due at the end of the January- 2024 interest payable 03 month MCLR payable monthly.		
IV) Axis Bank - Term Loan	8,750.00	-
Nature of Security		
Term loan of ₹ 1000 MN taken from Axis Bank, Bangalore and is secured by exclusive charge, by way of equitable mortgage, on immovable fixed assets of Dobaspet, Bangalore unit, both present and future and also exclusive charge, by way of hypothecation, on movable fixed assets of Dobaspet, Bangalore unit, both present and future and secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from Axis Bank with a moratorium period of 12 months and would be repayable in 16 equal quarterly installments of ₹ 62.50 MN with the final installment falling due at the end of the June- 2025. Interest payable monthly rests even during moratorium period.		
V) SCB - Term Loan	7,350.00	-
Nature of Security		
Term loan of ₹ 735 MN taken from SCB, Bangalore and is secured by first pari passu charge on the movable fixed assets at Jedcherla, Formulation unit with 1.25X cover to be maintained and also first pari passu charge on Land and building of Formulation unit at Jedcherla with 1.25X cover to be maintained and also secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from SCB would be repayable within 5 years in 16 equal quarterly installments starting from 15th month from the date of draw down and the final installment falling due at the end of the January - 2026. Interest payable monthly in arrears.		
Total	33,076.56	16,448.36
(ii) Others		
Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Deferred consideration payable on acquisition of FTF Pharma Pvt. Ltd.	500.00	-
Total	500.00	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

16 PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Provision for gratuity	1,237.57	797.67
b) Provision for leave encashment	138.68	74.81
Total	1,376.25	872.48

17 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	9,416.82	7,779.26
b) Deferred tax asset (On account of disallowable items under Income Tax Act)	(551.00)	(476.64)
c) MAT Credit Entitlement	(3,182.14)	(4,263.78)
Total	5,683.68	3,038.84

18 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Deferred revenue	12.44	187.55
b) Capital subsidy / Deferred Government grant	74.67	85.73
c) Corporate guarantee liability	333.83	-
d) Lease Liability	153.53	167.13
Total	574.47	440.41

19 FINANCIAL LIABILITIES

(I) Borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
Secured Loan		
a) Working capital loan		
From Banks		
i) Standard Chartered Bank (PCFC) [refer note 'a' & 'e (i)' below]	6,232.09	6,350.89
ii) Citi Bank (PCFC) [refer note 'b' & 'e (ii)' below]	5,325.72	4,674.83
iii) HSBC (PCFC) [refer note 'c' & 'e (iii)' below]	2,932.57	4,614.37
iv) HDFC (WCDL) [refer note 'd' & 'e (iv)' below]	5,000.00	-
v) HSBC (WCDL) [refer note 'c' & 'e (v)' below]	2,000.00	-
vi) Citi Bank (WCDL) [refer note 'b' & 'e (vi)' below]	2,700.00	-
Nature of Security and Interest		
a) Working capital loan from Standard Chartered Bank (SCB) is secured by first pari passu charge on current assets and first charge on certain fixed assets movable & imovable (except those created through other loans) in line with other working capital lenders and personal Guarantee of 02 Directors		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
b) Working capital loan from Citi bank (CB) is secured by first pari passu charge on current assets and charge on fixed assets (except those created through other loans) in line with other working capital lenders and personal guarantee of 02 Directors. The sanction facility is interchangeable as PCFC/Cash credit and applicable interest will be charge.		
c) Working capital loan from HSBC is secured by first pari passu charge on current assets and charge on moveable fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors.		
d) Working capital loan from HDFC is secured by first pari passu charge on current assets of the company. Second pari passu charge on Factory land and building of Jadcherla SEZ unit. Second pari passu charge on Factory movable and immovable fixed assets of Jadcherla SEZ unit and personal Gurantee of 02 Directors.		
e) Interest rate as at March 31, 2021 is as under:		
(i) On PSFC/PCFC - LIBOR + 0.90%		
(ii) On PSFC/PCFC - LIBOR + 1.50%		
(iii) On PSFC/PCFC - LIBOR + 1.25%		
(iv) 5.20% per annum		
(v) 6.35% per annum		
(vi) 6.00% per annum		
Total	24,190.38	15,640.09

(II) Trade Payable (Refer Note 46 & 52)

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Trade payables due to micro and small enterprises	760.65	547.98
b) Trade paybles due to other than micro and small enterprises	4,930.31	7,115.47
Total	5,690.96	7,663.45

Note : Trade payable in above note no: 19 (ii) (b) includes ₹ 740.37 (PY ₹ 883.21) is payable to related parties (refer note no: 45 Related Party Transaction)

(III) Other financial liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Current maturities of long-term debt	8,075.13	5,936.35
b) Interest accrued but not due on borrowings	143.85	94.52
c) Unclaimed dividends	26.08	24.85
d) Employee benefit liability	2,520.63	2,231.02
e) Interim dividend payable	-	1.18
f) Capital creditors	3,487.96	1,824.15
Total	14,253.65	10,112.07

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

20 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Advances from customers	673.53	914.60
b) Tax deduction at source	719.34	746.49
c) ESI, Professional tax Etc.	5.91	4.37
d) Security trade deposit	154.40	104.40
e) Provident fund payable	114.56	84.04
f) Unclaimed bonus & salary	15.69	17.92
g) Custom duty	8.99	1.57
Total	1,692.42	1,873.39

21 PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for expenses	917.79	697.14
Total	917.79	697.14

22 REVENUE FROM OPERATIONS-SALES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Sales of products	79,804.11	70,126.47
b) Export Incentives	97.11	903.47
c) Energy sales	511.66	598.99
Total	80,412.88	71,628.93
Abstract		
(i) Bulk Drugs/Intermediates	56,223.27	50,180.66
(ii) Formulation	21,023.06	19,114.66
(iii) Export Incentives	97.11	903.47
(iv) Power	511.66	598.99
(v) Trading and others	2,557.78	831.15
Total	80,412.88	71,628.93

23 REVENUE FROM OPERATIONS-SERVICE AND LICENCE FEES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Product development & License fees	2,618.71	8,968.18
Total	2,618.71	8,968.18

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

24 OTHER INCOME

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Interest Income on :		
i) Deposit with bank	301.84	116.16
ii) Others	1,689.60	585.64
b) Liabilities written back	680.67	31.94
c) Corporate guarantee fees	105.80	6.02
d) Capital Subsidy (Grants)	11.06	20.70
e) Dividend on preference shares	263.50	263.50
f) Dividend on equity shares	48.47	-
g) Miscellaneous income	289.08	102.32
Total	3,390.02	1,126.28

25 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Inventory at the beginning of the year	11,158.23	10,640.94
Add: Purchases	33,667.45	28,107.58
Less: Inventory at the end of the year	14,468.47	11,158.23
Cost of raw materials and packing materials consumed	30,357.21	27,590.29
Material consumed comprises of:		
i) Raw material	29,386.33	26,870.80
ii) Packing material	970.88	719.49
Total	30,357.21	27,590.29

26 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Purchase of Medicines/Bulk Drugs/Others	781.16	392.94
Total	781.16	392.94

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening Inventories		
(i) Finished goods	5,240.12	3,970.69
(ii) Work-In-process	1,853.85	1,696.82
Closing Inventories		
(i) Finished goods	9,199.47	5,240.12
(ii) Work-In-process	3,373.35	1,853.85
(Increase) / decrease in inventory	(5,478.85)	(1,426.46)

28 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Salaries, wages and bonus	16,420.92	14,030.80
b) Contribution to provident fund /gratuity and other funds	921.16	695.72
c) Staff welfare expenses	220.28	201.34
Total	17,562.36	14,927.86

29 FINANCE COSTS

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest expense on :		
a) Working capital facility	464.53	382.75
b) Finance cost on lease Liability	14.38	11.66
c) Term loans	1,246.83	-
d) Others	21.10	38.48
Total	1,746.84	432.89

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

30 OTHER EXPENSES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Power and fuel	3,622.22	3,531.31
b) Repairs and maintenance		
i) Buildings	565.22	353.36
ii) Plant and machinery	2,728.71	2,064.65
iii) Others	288.16	166.34
c) Rent	21.18	96.23
d) Exchange loss/(gain) net	(1,011.66)	(705.57)
e) Rates and taxes	100.38	386.96
f) Insurance	269.40	154.12
g) Travelling and conveyance	128.54	261.54
h) Contract labour charges	946.94	1,008.72
i) Legal & Professional fees	2,203.35	1,148.27
j) Facility fees	645.20	410.83
k) Payments to auditors (Refer Note 41)	17.00	16.14
l) Quality control, research and development expenses	2,701.66	3,121.76
m) Transportation charges	123.19	99.52
n) Brokerage and commission	822.17	528.06
o) Job work charges	3.81	0.66
p) Directors sitting fees	2.60	2.40
q) Sales promotion and advertisement	338.99	85.73
r) Bad debts/advance written off	35.97	13.73
s) Clearing and forwarding expenses	670.36	339.87
t) (Profit)/Loss on sale/discard of assets	40.34	(5.63)
u) VAT and entry tax	216.64	50.08
v) CSR expenses	347.62	660.26
w) Miscellaneous expenses	1,281.03	832.61
Total	17,109.02	14,621.95

31 EXCEPTIONAL INCOME/ (EXPENSES)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Gain on sale on equity instrument	5,294.81	-
b) Provision for diminishing in the value of Investment (refer below note)	-	(454.20)
Total	5,294.81	(454.20)

Note: Exceptional item for the year ended 31 March 2021 represents gain on sale of investment in Associates (Raichem Medicare Pvt. Ltd.) of ₹ 5294.81 Lakhs and for the year ended 31 March 2020 represents Provision for impairment of investment in a subsidiary (Makindus LLC, USA) amounting to ₹ 454.20 Lakhs

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Foreign letter of credit	340.19	476.91
b) Bank guarantees / Corporate guarantee*	18,244.50	444.50
c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	2,194.18	3,138.21
Total	20,778.87	4,059.62

* Out of the guarantee given of ₹ 18000 (P.Y ₹ 200) lakhs, the outstanding liabilities against corporate guarantee given to banks for one of its Subsidiaries for the financial year ended 31.03.2021 is ₹ 17650 lakhs (PY NIL).

33 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Defined Contribution Plan		
Provided fund	549.38	455.56
Movement of present value of the defined benefit obligation		
i) Change in defined benefit obligation		
Obligations at year beginning	1,319.43	989.56
Service cost	238.22	161.77
Interest on defined benefit obligation	88.12	65.44
Benefits settled	(58.50)	(62.92)
Divestures (Demerger)	-	(23.19)
Actuarial (gain)/loss	15.92	188.77
Obligations at year end	1,603.19	1,319.43
ii) Change in plan assets		
Plans assets at year beginning, at fair value	230.33	279.65
Expected return on plan assets	14.06	16.95
Actuarial gain/(loss)	1.11	(3.35)
Benefits payout	(50.02)	(62.92)
Plans assets at year end, at fair value	195.48	230.33
iii) Amount recognised in the balance sheet		
Closing BPO	1,603.18	1,319.43
Closing fair value of plan assets	(195.48)	(230.34)
Net asset/(liability) recognised in the balance sheet	1,407.70	1,089.09
iv) Expenses recognised in the statement of P & L account		
Service cost	238.22	161.77
Interest cost	88.12	65.44
Expected return on plan assets	(14.06)	(16.95)
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(334.56)	(56.13)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	136.86	268.56
Actuarial (Gain)/ Losses due to Experience on DBO	213.62	(23.66)
Return on Plan Assets (Greater) / Less than Discount rate	(1.11)	3.35
Total actuarial (gain)/loss included in OCI	14.81	192.12
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	195.48	230.34
%	12.19	17.46
ii) Non fund based (Company manages at its own)	1,407.70	1,089.09
%	87.81	82.54
vi) Principal actuarial assumptions		
Interest rate	-	-
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	6.90%	6.83%
Expected rate of return on assets	6.90%	6.83%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	11%	10% FY5 & 8.5% there after
Attrition rate of employees	16.00%	14.00%
Retirement age of employees (Years)	60	60

Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Decrease	Increase	Decrease	Increase
Discounted rate	6.40	5.70	9.34	8.10
Salary increase	5.60	6.00	6.94	7.19
Attrition rate	1.30	1.20	1.57	1.42

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points keeping all other actuarial assumption constant.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

34 FAIR VALUE MEASUREMENT HIERARCHY:

Particulars	As at 31 March, 2021					As at 31 March, 2020				
	Carrying Amount					Carrying Amount				
	Amortized cost	FVTPL			Total	Amortized cost	FVTPL			Total
Level 1		Level 2	Level 3	Level 1			Level 2	Level 3		
FINANCIAL ASSETS										
I. At Amortized Cost										
Non-current investments	21,931.77	-	-	-	21,931.77	9,348.42	-	-	-	9,348.42
Loans	35,795.24	-	-	-	35,795.24	9,618.90	-	-	-	9,618.90
Trade receivable	21,826.57	-	-	-	21,826.57	22,654.40	-	-	-	22,654.40
Cash & bank balance	11,501.22	-	-	-	11,501.22	2,793.67	-	-	-	2,793.67
Other bank balance	26.08	-	-	-	26.08	24.85	-	-	-	24.85
Other financial assets	7,118.48	-	174.27	-	7,292.75	36,261.05	-	543.81	-	36,804.86
Total	98,199.36	-	174.27	-	98,373.63	80,701.29	-	543.81	-	81,245.10
FINANCIAL LIABILITIES										
Borrowings	57,266.94	-	-	-	57,266.94	29,968.22	-	2,120.23	-	32,088.45
Trade payables	5,690.96	-	-	-	5,690.96	7,663.45	-	-	-	7,663.45
Other financial liabilities	12,186.33	-	2,067.32	-	14,253.65	7,285.10	-	2,826.97	-	10,112.07
Total	75,144.23	-	2,067.32	-	77,211.55	44,916.77	-	4,947.20	-	49,863.97

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

- 1) The use of quoted market prices or dealer quotes for similar instruments
- 2) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- 3) The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

35 FINANCIAL RISK MANAGEMENT

The Company activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets/liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The Company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

(Amount in lakhs)

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	USD	EURO	GBP	USD	EURO	GBP
Loan	22.90	50.81	7.82	8.00	41.81	3.60
Trade receivables	135.96	42.40	-	203.58	3.98	-
Cash and cash equivalents	1.30	0.14	0.01	5.72	0.10	0.01
Short-term borrowings	(197.13)	-	-	(207.47)	-	-
Trade payables	(20.74)	(0.79)	-	(42.05)	(0.35)	-
Net Foreign Currency Risk	(57.71)	92.56	7.83	(32.22)	45.54	3.61

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
USD-Sensitivity				
Increase by 1% (gain/(loss))	(42.42)	(24.29)	-	-
Decrease by 1% (gain/(loss))	42.42	24.29	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	79.69	37.82	-	-
Decrease by 1% (gain/(loss))	(79.69)	(37.82)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	7.90	3.36	-	-
Decrease by 1% (gain/(loss))	(7.90)	(3.36)	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/income and to manage the interest rate risk, the Company weighted average balance manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is the average weighted balance of the respective reporting period.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

According to the Company interest rate risk exposure is only for floating rate borrowings, change in 0.5% in the interest rate component applicable to the short term borrowings would effect the Companies net profit before tax at the end of the reporting period year ended 31 March, 2021 and 31 March, 2020 respectively.

Particulars	31 March, 2021	31 March, 2020
Change in 0.50% interest on WCL	120.95	78.20

Note :

- The Company has hedged ECB loan availed from Standard chartered bank. Therefore not subject to interest risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

(iii) Price Risk

Company does not have any exposure to price risk, as there is no market based equity investment made by the Company.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored and transaction with such customer are covered under letter of credit. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. Two customer are accounted for more than 10% of the trade receivable as of 31 March, 2021 and Three customer for 31 March, 2020. Since the Company is dealing with the customer from past several years, hence there is no concordent risk in dealing with said customers.

Expected credit loss assessment

The Group reviewed customers outstanding at the end of each reporting period and determine incurred and expected credit losses. Past trend of impairment of trade receivables do not reflect any significant credit losses. The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	31 March, 2021	31 March, 2020
Impairment loss recognised - trade receivable	35.97	13.73
%	0.17	0.06

C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the Company maintains the following line of credit facility

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2021 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	24,190.38	-	-	-
Long term borrowings	-	8,075.13	33,076.56	-
Trade and other payable	-	5,690.96	-	-
Total	24,190.38	13,766.09	33,076.56	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	15,640.09	-	-	-
Long term borrowings	-	5,936.35	16,448.36	-
Trade and other payable	-	7,663.45	-	-
Total	15,640.09	13,599.80	16,448.36	-

36 CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus of safeguard their ability to continue as a going concern, benefits for stakeholders, creditors and market confidence. Continue to maintain excess liquidity to shareholders by distributing dividends in future.

Company's vision is to keep the ratio below 1.00 and its adjusted net debt to equity ratio was as follows

Particulars	31 March, 2021	31 March, 2020
Total equity attributable to the equity shareholders of the Company	163,783.18	145,342.20
As a percentage of total capital		
Long-term borrowings	41,151.69	22,384.71
Short-term borrowings	24,190.38	15,640.09
Total Debts	65,342.07	38,024.80
Net Debt to Equity Ratio	0.40	0.26

37 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit for the year before OCI from continuing operations	18,439.18	16,819.43
Profit for the year before OCI from discontinued operations	-	2,552.41
Shares		
Weighted average shares used for computing basic EPS	81,526,898	81,526,898
Weighted average shares used for computing diluted EPS	81,526,898	81,526,898
Earning Per Shares		
from continuing operations		
Basic (in ₹)	22.62	20.63
Diluted (in ₹)	22.62	20.63
from discontinued operations		
Basic (in ₹)	-	3.13
Diluted (in ₹)	-	3.13

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

38 RESEARCH AND DEVELOPMENT EXPENSES ELIGIBLE FOR WEIGHTED DEDUCTION UNDER INCOME TAX ACT 1961

Particulars	For the year ended 31 March, 2021#		For the year ended 31 March, 2020			
	Raichur Facility	Bengaluru Facility	Raichur Facility	Vizag Facility*	Hubli Facility@	Bengaluru Facility
A) ELIGIBLE EXPENSES						
a) Capital Expenditure	29.24	1,845.35	61.11	-	157.37	298.52
b) Revenue Expenditure						
i) Employee Cost	1,349.95	1,790.80	1,374.14	1,075.41	770.57	489.37
ii) Research & Development expenses	697.42	673.26	449.00	312.30	268.11	58.93
iii) Equipment Maintenance	67.10	33.59	151.66	0.40	49.74	23.65
iv) Power & Fuel	2.48	0.03	1.15	36.37	36.78	-
v) Other Expenses	14.20	266.94	260.34	74.05	31.56	17.15
Total	2,160.39	4,609.97	2,297.40	1,498.53	1,314.13	887.62
Less : Revenue Income	-	-	138.17	23.25	-	-
Less : Sale of Assets	-	98.32	-	123.23	9.63	5.13
Total (A)	2,160.39	4,511.65	2,159.23	1,352.05	1,304.50	882.49
B) INELIGIBLE EXPENSES						
a) Revenue Expenditure						
i) Misc. Expenses	4.47	159.08	574.75	300.01	12.84	10.94
ii) Depreciation	235.09	336.34	207.95	146.26	350.60	64.16
	239.56	495.42	782.70	446.27	363.44	75.10
b) Capital Expenditure	-	217.32	-	-	1.67	-
Total (B)	239.56	712.74	782.70	446.27	365.11	75.10
Total (A+B)	2,399.95	5,224.39	2,941.93	1,798.32	1,669.61	957.59

#From FY 2020-21, weighted deduction u/s 35(2AB) is 100% of the in house R&D expenses

*Vizag facility was shifted to Bengaluru facility during FY 2020-21

@Hubli facility was shifted to Shilpa Biologicals as a result of slump sales w.e.f 01.04.2020

39 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, has to spend 2% of its average net profits of three immediate preceding financial year. The Company has formed trust by name 'Shilpa Foundation' to commit the expenditure under the various activity like pure and safe drinking water, Orphanage home, Education promotion, Hospital/ Medical facility. Swatch bharat, Green Prroject with local bodies/NGO to make eco-friendly environment.

Particulars	For the year 2020-21	For the year 2019-20
Gross amount required to be spent	347.62	326.46
Construction/acquisition of any asset	-	-
Amount spent / transfer to trust during the year	339.10	329.08

The Company has transferred ₹ 328.67 Lakhs (326.33 lakhs) to "Shilpa Foundation". The amount of earmarked fund is insufficient to kick start the project, the committee has set aside the fund to take up the project when sufficient fund are available for initiating the project.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

40 RECONCILIATION OF TAX EXPENSES

(I) Income Tax

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current tax on profit for the year	4469.86	3673.01
MAT Credit Entitlement	1,081.64	(104.60)
Origination and reversal of temporary differences	1,563.20	458.59
	7,114.70	4,027.00
Amount recognised in statement of profit & loss account	25,553.88	23,398.81
Tax at enacted tax rate in India C.Y. @ 34.944% (P.Y. 34.944%)	8,929.55	8,176.48
Weighted deduction on research and development expenditure	(655.06)	(1,028.65)
Exempt income and other deductions (net)	(1,328.95)	(3,331.17)
Non-deductible expenses	79.16	79.23
Tax effect which is chargeable at different rate	(695.20)	-
Others	785.20	131.11
	7,114.70	4,027.00

(II) Recognised Deferred Tax Assets / Liabilities

Movement of Deferred Tax Assets / Liabilities	As at 31 March, 2021	As at 31 March, 2020
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	9,407.90	7,776.13
Cross Currency Swap	22.13	16.34
Others	(13.21)	(13.21)
Gross Deferred Tax Liabilities	9,416.82	7,779.26
Deferred Tax Assets		
Defined benefit liability	497.02	450.50
Employees benefit liability	53.98	26.14
MAT Credit Entitlement Benefit	3,182.14	4,263.78
Gross Deferred Tax Assets	3,733.14	4,740.42
Net Deferred Tax Liabilities	5,683.68	3,038.84

Movement of Deferred Tax Assets / Deferred Tax Liabilities	As at 01 April, 2020	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2021
Deferred Tax Liabilities				
Property, plant and equipment, and intangible assets	7,776.13	1,631.77	-	9,407.90
Cross Currency Swap	16.34	-	5.79	22.13
Others	(13.21)	-	-	(13.21)
Total	7,779.26	1,631.77	5.79	9,416.82
Deferred Tax Assets				
Defined benefit liability	450.50	38.58	7.94	497.02
Employees benefit liability	26.14	27.84	-	53.98
MAT Credit Entitlement Benefit	4,263.78	(1,081.64)	-	3,182.14
Total	4,740.42	(1,015.22)	7.94	3,733.14
Net Deferred Tax Liabilities	3,038.84	2,646.99	(2.15)	5,683.68

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

41 PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March,2021	For the year ended 31 March,2020
a) Statutory Audit	17.00	15.50
b) Reimbursement of expenses	-	0.64
Total	17.00	16.14

Note : Excluding applicable tax.

42 SEGMENT INFORMATION

The Company is mainly engage in the business of manufacturing of pharmaceutical product and wind power generation. The formulation and product development are inter related and integral part of business of "pharmaceutical products". In accordance with the provisions of IND AS - 108 power segment is not falling in the prescribed limit specified, hence segment reporting is not applicable.

(a) Information about Products and Services:

Particulars	For the year ended 31 March,2021	For the year ended 31 March,2020
Pharmaceutical product and services	82,422.82	79,094.65
Power sales	511.66	598.99
others	97.11	903.47
Total	83,031.59	80,597.11

(b) Information about geographical areas

Particulars	For the year ended 31 March,2021	For the year ended 31 March,2020
(i) Revenues		
(A) Within India	31,888.46	28,676.71
(B) Outside India		
(i) Europe	28,781.33	14,770.09
(ii) USA	13291.89	19,157.76
(iii) ROW	9069.91	17,992.55
Total	83,031.59	80,597.11

Particulars	As at 31st March, 2021	As at 31st March, 2020
ii) Non-current Assets		
(A) Within India	115,314.37	91,345.43
Total	115,314.37	91,345.43

Note: Non-current assets excludes financial assets

(c) Information about major customer

The Company has two customers who contributed more than 10% of the Company's total revenue during the current year and three customers during the previous year.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

43 OPERATING LEASE

The Company has entered into lease agreements for use of land for its production and R&D facility which expires over a period. Future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(a) Land

Particulars	As at 31 March, 2021	As at 31 March, 2020
Not later than one year	33.48	33.48
Later than one year and not later than five year	133.90	133.90
Later than five years	1,847.57	1,914.57
Total	2,014.95	2,081.95

(b) Building

Particulars	As at 31 March, 2021	As at 31 March, 2020
Not later than one year	20.06	19.10
One to Five Year	15.60	35.66
Total	35.66	54.76

44 FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Earning in Foreign Currency

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Products & Services	50,579.80	51,909.87
Others	198.77	154.17
Total	50,778.57	52,064.04

(ii) Expenditure in foreign currency

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Import of raw material	22,308.74	18,995.73
Others	10,908.46	2,381.53
Total	33,217.20	21,377.26

(iii) Dividend remitted in foreign currency

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Number of share holders	-	1
(b) Number of equity shares held		
(i) 2019-20	-	6,000,000
(ii) 2020-21	-	-
(c) Amount of Dividend Paid		
(i) 2019-20	-	126.00
(ii) 2020-21	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS

Related parties where control exists and related parties with whom transactions have taken place during period 01 April 2020 to 31 March 2021 are listed below:

List of Related Parties

1. Associates

- a) Reva Pharmachem Pvt. Ltd.
- b) Maia Pharmaceuticals INC. USA
- c) Auxilla Pharmaceuticals and Research LLP (w.e.f. 15.07.2020) (Investment Entity)

2. Subsidiaries

- a) Zatortia Holdings Ltd. (Wholly- owned Subsidiary)
- b) Loba Feinchemie GmbH (Step-down Subsidiary) (Ceased to be step down subsidiary w.e.f. 31.03.2021)
- c) Shilpa- Therapeutics Pvt. Ltd. (Wholly-owned Subsidiary)
- d) INM Technologies Pvt. Ltd. (Wholly-owned Subsidiary)
- e) INM Nuvent Paint Pvt. Ltd. (Step-down Subsidiary)
- f) Koanaa Healthcare Ltd. U.K (Wholly-owned Subsidiary)
- g) Koanaa Healthcare GmbH. Austria (Wholly- owned Subsidiary)
- h) Makindus LLC. USA. (Subsidiary)
- i) Shilpa Pharma Inc. (Wholly-owned Subsidiary)
- j) Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.) (Wholly-owned Subsidiary) (Name change w.e.f 09.12.2020)
- k) Shilpa Biologicals Pvt. Ltd. (Wholly-owned Subsidiary)
- l) Shilpa Corporate Holdings Pvt. Ltd. (Wholly-owned Subsidiary) (w.e.f. 08.05.2020)
- m) Sravathi AI Technologies Pvt. Ltd. (JV of Wholly-owned subsidiary) (w.e.f. 27.05.2020)
- n) Koanaa Healthcare Canada Inc. (Wholly-owned Subsidiary) (w.e.f. 15.06.2020)
- o) INDO BIOTECH SDN. BHD (Wholly-owned Subsidiary) (w.e.f. 01.10.2020)
- p) FTF Pharma Pvt. Ltd. (Wholly-owned Subsidiary) (w.e.f. 02.11.2020)
- q) Koanaa International FZ LLC. UAE (Wholly-owned Subsidiary) (w.e.f. 10.02.2021)

3. Joint Venture (JV)

- a) Reva Medicare Pvt. Ltd.
- b) Sravathi Advance Process Technologies Pvt. Ltd.

4. (i) Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
- b) Sushil Bajaj - Chief Financial Officer (Resigned w.e.f. 20.01.2021)
- c) V.V. Krishna Chaitanya - Company Secretary
- d) Kalakota Sharath Reddy - Whole Time Director

(ii) Remuneration paid to Directors

- a) Omprakash Inani - Non-executive Director
- b) Pramod Kasat-Independent Director
- c) Rajender Sunki Reddy-Independent Director
- d) Amit Chander - Independent Director (Retired w.e.f. 02.10.2020)
- e) Sirisha Chintapalli - Independent Woman Director
- f) Piyush Goenka - Independent Director

5. Relatives

- a) Deepak Kumar Inani
- b) Keshav Bhutada
- c) Madhav Bhutada
- d) Triveni Inani

6. Enterprises having common Directors/ Board of Trustees

- a) Shilpa Foundation
- b) Mohini Infra (P) Ltd

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 (Receivable) / (Payable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 (Receivable) / (Payable)
A Remuneration paid to Key Management Personnel							
i)	Vishnukant.C. Bhutada	Managing Director	Salary and perquisites*	966.98	454.76	991.98	469.52
ii)	Kalakota Sharath Reddy	Whole Time Director	Salary and perquisites	122.08	7.19	52.62	4.85
iii)	Sushil Bajaj	Chief Financial Officer	Salary and perquisites	36.97	-	46.00	2.15
iv)	Madhusudhan Reddy	Company Secretary	Salary and perquisites	-	-	0.06	-
v)	V.V. Krishna Chaitanya	Company Secretary	Salary and perquisites	7.49	0.56	4.08	0.44
B Remuneration paid to other Directors							
i)	Omprakash Inani	Non-executive Director	Sitting Fees	0.50	-	0.40	-
ii)	Carlton Felix Pereira	Independent Director	Sitting Fees	-	-	0.20	-
iii)	Pramod Kasat	Independent Director	Sitting Fees	0.50	-	0.40	-
iv)	Rajender Sunki Reddy	Independent Director	Sitting Fees	0.30	-	0.40	-
v)	Amit Chander	Independent Director	Sitting Fees	0.30	-	0.40	-
vi)	Sirisha Chintapalli	Independent Woman Director	Sitting Fees	0.50	-	0.40	-
vii)	Piyush Goenka	Independent Director	Sitting Fees	0.50	-	0.20	-
C Relative							
i)	Deepak Kumar Inani	Relative to Director	Salary and perquisites	59.21	3.19	36.88	2.43
ii)	Keshav Bhutada	Relative to Managing Director	Salary and perquisites	18.45	1.06	16.48	0.96
iii)	Madhav Bhutada	Relative to Managing Director	Salary and perquisites	18.45	1.06	16.48	0.96
iv)	Keshav Bhutada	Relative to Managing Director	Rent	4.63	1.11	4.41	1.03
v)	Madhav Bhutada	Relative to Managing Director	Rent	4.63	1.11	4.41	1.03
vi)	Triveni Inani	Relative to Director	Rent	3.28	0.79	3.12	1.17

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses Other Transaction	Balance as at 31 March, 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)
D Others							
i)	Koanaa Healthcare GmbH, Austria	Wholly owned Subsidiary	Sales of Goods or Service	(2,701.36)	-	(139.50)	-
			Interest Income (Loan)	(128.47)	-	(106.12)	-
			Expenses incurred on behalf of the related party	(2.55)	-	-	-
			Loan Receivable	-	(4,373.38)	-	(3,387.99)
			Trade Receivable	-	(521.61)	-	(64.91)
			Interest accrued but not received (Loan)	-	-	-	(106.12)
ii)	Koanaa Healthcare Ltd, United Kingdom	Wholly owned Subsidiary	Interest Income (Loan)	(27.35)	-	(27.89)	-
			Sales of Goods or Service	-	-	(3,525.00)	-
			Loan Receivable	-	(789.16)	-	(418.12)
			Advance from Customer	-	-	-	566.29
			Interest accrued but not received (Loan)	-	(27.35)	-	(27.89)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 (Payable) / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 (Payable) / (Receivable)
iii)	Shilpa Therapeutics Pvt. Ltd.	Wholly owned Subsidiary	Purchases of Goods or Service	207.02	-	1.42	-
			Purchases of Capital goods	307.26	-	12.07	-
			Sales of Goods or Service	(33.02)	-	(3.25)	-
			Sales of Capital Goods	(7.96)	-	(43.62)	-
			Interest Income (Loan)	(242.57)	-	(397.33)	-
			Interest Income (Preference shares)	(3.20)	-	(3.20)	-
			Expenses incurred on behalf of the related party	-	-	(0.12)	-
			Corporate Guarantees to Banks **	-	(3,000.00)	-	(200.00)
			Trade Receivable	-	(14.09)	-	(9.12)
			Loan Receivable	-	(3,363.30)	-	(5,208.55)
			Trade Payable	-	244.62	-	307.35
			Advance against purchase	-	-	-	(0.20)
			Interest accrued but not received (Loan)	-	(224.37)	-	(357.60)
			Interest accrued but not received (Preference shares)	-	(22.41)	-	(19.21)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses Other Transaction	Balance as at 31 March, 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)
iv)	Zatortia Holdings Limited	Wholly owned Subsidiary	Advances	-	(1.29)	-	(1.25)
v)	INM Technologies Pvt. Ltd.	Wholly owned Subsidiary	Purchases of Goods or Service	7.19	-	44.35	-
			Purchases of Capital goods	66.90	-	1,045.15	-
			Expenses incurred by related party on behalf of Shilpa	-	-	5.84	-
			Sales of Goods or Service	-	-	(3.24)	-
			Interest Income (Preference shares)	(260.30)	-	(260.30)	-
			Trade Receivable	-	-	-	(0.01)
			Trade Payable	-	154.44	-	285.02
			Interest accrued but not received (Preference shares)	-	(1,184.42)	-	(924.11)
v)	INM Nuvent Paints Pvt. Ltd.	Step-down Subsidiary	Purchases of Goods or Service	0.01	-	23.36	-
			Purchases of Capital goods	-	-	2.56	-
			Sales of Goods or Service	(0.07)	-	(0.01)	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 (Receivable) / (Payable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 (Receivable) / (Payable)
			Sales of Capital Goods	-	-	(0.12)	-
			Expenses incurred on behalf of the related party	-	-	(0.35)	-
			Trade Payable	-	-	-	1.94
vii)	Loba Feinchemie, GmbH.	Step-down Subsidiary	Expenses incurred on behalf of the related party	-	-	(36.07)	-
			Trade Receivable	-	-	-	(12.06)
viii)	Reva Pharmachem Pvt. Ltd.	Associates	Support services	-	-	(3.00)	-
			Interest Income (Loan)	-	-	(4.74)	-
			Trade Receivable	-	-	-	(0.87)
ix)	Reva Medicare Pvt. Ltd.	Joint Venture	Commission	425.36	-	405.85	-
			Sales of Goods or Service	(30.45)	-	(1.00)	-
			Trade Payable	-	119.68	-	288.21
			Commission Accrued but not paid	-	88.51	-	-
			Trade Receivable	-	(0.41)	-	(0.29)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)
x)	Maia Pharmaceuticals INC. USA	Associates	Trade Receivable	-	(177.34)	-	(181.88)
xi)	Shilpa Pharma INC. USA	Wholly owned Subsidiary	Interest Income (Loan)	(27.73)	-	(25.86)	-
			Purchases of Goods or Service	2.53	-	-	-
			Interest accrued but not received (Loan)	-	(27.73)	-	(20.07)
			Loan Receivable	-	(826.93)	-	(603.09)
xii)	Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture	Interest Income (Loan)	-	-	(2.21)	-
			Purchases of Goods or Service	90.00	-	-	-
xiii)	Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly owned Subsidiary	Expenses incurred on behalf of the related party	(0.01)	-	(2.37)	-
			Other Receivable	-	(0.01)	-	(0.01)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)
xiv)	Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Expenses incurred on behalf of the related party	-	-	(26.80)	-
			Sales of Goods or Service	(20.25)	-	-	-
			Sales of Capital Goods	(6.26)	-	-	-
			Purchases of Goods or Service	41.63	-	-	-
			Purchases of Capital goods	3.37	-	-	-
			Interest Income (Loan)	(1,230.42)	-	-	-
			Trade Receivable	-	(7.41)	-	-
			Other Receivable	-	-	-	(26.80)
			Trade Payable	-	9.31	-	-
			Loan Receivable	-	(25,306.00)	-	-
			Interest accrued but not received (Loan)	-	(1,138.14)	-	-
			Corporate Guarantees to Banks ***	-	(15,000.00)	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)
xv)	Shilpa Foundation	Trust in which key management are the board of trustees	Corporate Social Responsibility Expenses	346.61	-	326.33	-
			Expenses incurred on behalf of the related party	-	-	(0.60)	-
			Other Payable	-	337.19	-	-
xvi)	Mohini Infra (P) Ltd	Company in which key management are the board of director	Godown Rent	14.96	-	8.22	-
			Trade Payable	-	1.17	-	0.70
xvii)	FIF Pharma Pvt. Ltd.	Wholly owned Subsidiary	Sales of Goods or Service	(8.70)	-	-	-
			Purchases of Goods or Service	191.25	-	-	-
			Advance to Vendor	-	(57.48)	-	-
			Trade Receivable	-	(10.18)	-	-
			Trade Payable	-	211.15	-	-
xviii)	Koanaa Healthcare Canada INC	Wholly owned Subsidiary	Interest Income (Loan)	(6.06)	-	-	-
			Loan Receivable	-	(378.85)	-	-
			Interest accrued but not received (Loan)	-	(6.06)	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2021 (Receivable) / (Payable)	01 April 2019 to 31 March 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 (Receivable) / (Payable)
xix)	Auxilla Pharmaceuticals and Research LLP	Investment Entity	Sales of Goods or Service	(0.04)	-	-	-
			Purchases of Goods or Service	85.00	-	-	-
xx)	Shilpa Corporate Holdings Pvt. Ltd.	Wholly owned Subsidiary	Expenses incurred on behalf of the related party	(2.56)	-	-	-
xxi)	INDO BIOTECH SDN. BHD	Wholly owned Subsidiary	Interest Income (Loan)	(9.17)	-	-	-
			Interest accrued but not received (Loan)	-	(9.17)	-	-
xxii)	Koanaa International FZ LLC UAE	Wholly owned Subsidiary	Loan Receivable	-	(808.55)	-	-
			Interest Income (Loan)	(0.17)	-	-	-
			Interest accrued but not received (Loan)	-	(0.17)	-	-
			Loan Receivable	-	(47.78)	-	-

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

*payable includes commission provision (net)

** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Therapeutics Pvt. Ltd. is for the financial period ended 31.03.2021 is Rs.2650.00 (P.Y. NIL)

*** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Biologicals Pvt. Ltd. is for the financial period ended 31.03.2021 is Rs.15000.00 (P.Y. NIL)

- 46 A sum of ₹ 760.65 lakhs is payable to Micro, Small and Medium Enterprises as at 31 March, 2021 (₹ 547.98 lakhs as at 31 March, 2020). There are no Micro, Small and Medium Enterprises, to whom the Company overdues, which are outstanding for more than 45 days during the year and also as at 31 March, 2021. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act has been determined to the extent such parties has been identified on the basis of information available with the Company and relied upon by the Auditors.
- 47 Out of the sum of ₹ 41.78 lakhs (P.Y. ₹ 41.78 lakhs) the Company has filed appeal before the Karnataka Appellat Tribunal for refund of input tax paid on Capital Goods amounting to ₹ 26.48 lakhs (P.Y. ₹ 26.48 lakhs) and ₹ 2.43 lakhs paid on regular consumable items which in its opinion are allowable under the Act, however disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003. The same is shown under note 7 b) (ii)
- 48 During the year 2018-19, the Company sold its 24% investment in Equity shares of Raichem Medicare Private Limited ("RMPL") (Joint Venture) and entered into a sale agreement to dispose off its balance Equity Shares. The Company was in the process of seeking necessary regulatory approval and the sale is completed in the year 2020-21 by selling remaining stake of 26%. Gain on sale of 26% stake shown in exceptional income.

49 Discontinued Operations:

Sale of Biologics business

Consequent to the approvals received from the Board of Directors on February 24, 2020 and from the shareholders on March 30, 2020, the Company has transferred the business undertaking related to Biological unit under construction/ installation by way of slump sale to its wholly owned subsidiary Shilpa Biologics Private Limited effective March 30, 2020, for a consideration of ₹ 33,660.00 Lakhs. Gain on disposal of assets/liabilities amounting to ₹ 3,685.03 Lakhs has been disclosed under the discontinued operations

The combined results of the discontinued operations of the activity disposed-off, are set out below. The comparative profit/ (loss) from discontinued operations have been presented in the Statement of profit and loss account as if these operations were discontinued in the prior year as well.

Details of assets and liabilities disposed off, and the calculation of profit or loss on disposal are explained below:

Particulars	As at 31 March 2020
i) Consideration	
Consideration receivable in cash and cash equivalents	33,660.00
Total consideration	33,660.00
ii) Carrying value of assets and liabilities as on the date of disposal	
Non-current assets	34,596.68
Current assets	2,785.65
Total assets	37,382.33
Non-current liabilities	4,781.27
Current liabilities	2,626.10
Total liabilities	7,407.37
Net assets disposed off	29,974.96
iii) Gain on disposal	
Consideration receivable	33,660.00
Net Assets disposed off	29,974.96
Gain on disposal	3,685.04

- 50 Board of Directors at their meeting held on September 9, 2020, approved a Draft Scheme for merger, under Section 233 of the Companies Act, 2013. The Scheme with an appointed date of April 1, 2020, which entails merger of Company's wholly owned subsidiary (i.e INM Technologies Private Limited) with the Company. The scheme would be subject to the requisite statutory/ regulatory approval of the National Company Law Tribunal (Bengaluru bench).

- 51** The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.
- 52** Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation
- 53** Figures of the previous year have been regrouped/rearranged wherever necessary.

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Independent Auditor's Report

TO THE MEMBERS OF SHILPA MEDICARE LIMITED.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SHILPA MEDICARE LIMITED** (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint Ventures, which comprise the Consolidated Balance sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 consolidated state of affairs of the Group and its associates and joint ventures as at March 31, 2021, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Accounting of business combination for acquisition of FTF Pharma Private Limited.</p> <p>During the year, the Company has acquired 100% of equity shares of FTF Pharma Private Limited against consideration of ₹ 70 Crores.</p> <p>The allocation of the purchase price to identifiable assets and liabilities acquired was performed by the Company with support from external advisors and lead to the recognition of Goodwill of ₹ 10.9 crores</p> <p>The acquisition accounting requires the management to identify and value acquired assets (including intangible assets) and liabilities at the acquisition date. Significant judgement is involved in such identification and complexity surrounding the accounting for transaction in accordance with Ind AS 103 this was a Key Audit Matter.</p> <p>The management has engaged external experts and valuers in this regard.</p>	<p>Principal audit procedures</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process and evaluated the design and tested operating effectiveness of management's internal controls around application of the principles of Ind AS 103 "Business Combinations". • We have read the relevant parts of the share purchase and governance agreement entered by the Company, obtained an understanding of the deal structure and evaluated the accounting treatment in accordance with Ind AS 103. This included the evaluation of the interpretation of specific sections of the agreements and the application of accounting policies to thereon. • We have evaluated the professional qualifications and competence of the experts and valuers involved in the process. • We assessed the adequacy of the disclosures made in note 45 to the financial statements.
<p>Disposal Group Classified as held for sale</p> <p>On March 31, 2021, the board of directors of the company approved to sell the 100% stake in Loba feinchemie GMBH held by the group for a consideration of 3.3 million euros (approximately ₹ 28 crores) to ZR Pharma GMBH.</p> <p>On March 31, 2021, a share purchase agreement was entered between the Group and ZR Pharma GMBH for sale of the shares and certain other terms and conditions.</p> <p>As of March 31, 2021, the sale of the Subsidiary was not completed, Management has classified it as "disposal group held for sale".</p>	<p>Principal audit procedures</p> <ul style="list-style-type: none"> • In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence. • We read the share purchase agreement entered into between the Group and the purchaser and assessed the key conditions precedent for completion of the sale transaction as documented in the agreement. • Evaluating the criteria required under Ind AS 105 for classification of a non-current asset as held for sale and an independent assessment of Management's evaluation of how each of such criteria is met. • We have validated the appropriateness of the related disclosures by reference to the relevant accounting standards in note 44 to the financial statements.

Other information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, and its associates and joint ventures covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group and its associates and joint ventures 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 consolidated 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 Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding

the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matters

a. We did not audit the financial statements of nine subsidiaries whose financial statement reflect total assets of ₹ 59347.06 Lakhs as at March 31, 2021, total revenue of ₹ 1750.41 Lakhs, total net (loss) after tax of ₹ (1913.04) Lakhs and net cash outflows amounting to ₹ (537.11) Lakhs for the year ended on that date as considered for the consolidated financial statements. Further, the consolidated financial statements also include the company's share of net (loss)/profit of ₹ (173.58) Lakhs

for the year ended March 31, 2021, in respect of four Joint Ventures (JV) and two Associate which were not audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint ventures covered under the Act, is based solely on the reports of the other auditors.

We did not audit the financial statements of five subsidiaries whose financial statement reflect total assets of ₹ 1527.48 Lakhs as at March 31, 2021 and total revenue of ₹ 466.81 Lakhs, total net (loss) after tax of ₹ (758.00) Lakhs and net cash inflows amounting to ₹ 139.84 Lakhs for the year ended on that date as considered for the consolidated financial statements. Further, the financial results also include the company's share of net (loss)/profit of ₹ NIL for the year ended March 31, 2021, in respect of one Associate which has not been audited by us.

These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate to the extent covered under the Act, are based solely on such unaudited financial statements.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and reports of other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group Companies, associates and joint ventures companies incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Companies Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, associates and joint venture incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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 and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries, associates and joint ventures.
- The Consolidated financial statements disclose the impact of pending litigations if any, on the consolidated financial position of the group and its associates and joint ventures.
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)

Partner
Membership No. 215798
UDIN: 21215798AAAAIA8819

Place : Hyderabad
Date : 31.05.2021

Annexure – A to the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the **SHILPA MEDICARE LIMITED** ("the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group), its associates and joint Ventures as at for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, associates and joint ventures which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Group, its associates and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiaries, associates and joint ventures which are incorporated in India, in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Group, its associates and joint ventures which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Nine subsidiary companies, four Joint ventures and two associates, which are incorporated in India, is based on the corresponding reports of the auditors of such companies.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 21215798AAAIA8819

Place : Hyderabad
Date : 31.05.2021

Consolidated Balance Sheet

As at 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	96,663.57	55,737.28
(b) Right-of-use assets		2,582.16	2,639.19
(c) Capital work-in-progress	3	30,213.50	48,208.23
(d) Goodwill		4,419.78	3,700.08
(e) Intangible assets	4	7,387.76	2,967.72
(f) Intangible assets under development	5	23,915.57	18,417.23
(g) Financial assets	6		
(i) Investments		2,121.80	1,045.11
(ii) Other financial assets		771.44	1,147.37
(h) Other non-current assets	7	3,874.52	2,672.84
Total Non-Current Assets		171,950.10	136,535.05
Current Assets			
(a) Inventories	8	31,683.74	22,643.36
(b) Financial assets	9		
(i) Investments		-	-
(ii) Trade receivables		22,268.70	24,679.47
(iii) Cash and cash equivalents		12,284.56	4,431.43
(iv) Other bank balance other than (iii) above		26.08	24.85
(v) Loans		122.22	-
(vi) Others financial assets		5,095.10	644.77
(c) Other current assets	10	11,085.49	9,337.18
(d) Current tax assets (net)	11	861.17	624.17
(e) Assets included in disposal group classified as held for sale		8,378.30	-
Total Current Assets		91,805.36	62,385.23
TOTAL ASSETS		263,755.46	198,920.28
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	815.27	815.27
(b) Other equity	13	147,051.39	132,121.00
Equity attributable to owners of the Company		147,866.66	132,936.27
(c) Non-controlling interest		(1,117.00)	(791.13)
Total Equity		146,749.66	132,145.14
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	14		
(i) Borrowings		48,047.29	16,501.85
(ii) Others		500.00	-
(b) Provisions	15	1,547.57	2,616.88
(c) Deferred tax liabilities (Net)	16	4,728.24	4,198.45
(d) Other non-current liabilities	17	1,966.70	2,376.38
Total Non-Current Liabilities		56,789.80	25,693.56
Current Liabilities			
(a) Financial liabilities	18		
(i) Borrowings		24,340.38	16,527.33
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises		1,355.27	1,078.38
- Total outstanding dues of other than micro and small enterprises		5,859.37	8,176.46
(iii) Other financial liabilities		19,478.52	11,974.34
(b) Other current liabilities	19	2,030.25	2,235.72
(c) Provisions	20	1,131.22	1,089.35
(d) Liabilities included in disposal group classified as held for sale		6,020.99	-
Total Current Liabilities		60,216.00	41,081.58
TOTAL EQUITY & LIABILITIES		263,755.46	198,920.28

The accompanying notes form an integral part of the consolidated financial statements 01 to 48

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

K. Shravan
Partner
M.No. 215798

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 31 May, 2021

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
INCOME			
Revenue from operations			
(a) Sales	21	85,920.78	77,203.61
(b) Service and license fees	22	4,192.23	13,587.37
Total revenue from operations		90,113.01	90,790.98
(c) Other income	23	3,014.16	1,693.95
Total Income		93,127.17	92,484.93
EXPENSES			
(a) Cost of materials consumed	24	31,888.45	28,701.52
(b) Purchases of stock-in trade	25	1,067.66	676.29
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	26	(5,883.03)	(1,605.28)
(d) Employee benefits expense	27	23,530.71	19,659.10
(e) Finance costs	28	2,186.87	455.75
(f) Depreciation and amortisation expenses	2 & 4	5,397.67	4,377.68
(g) Other expenses	29	21,344.07	21,379.55
Total Expenses		79,532.40	73,644.61
Profit before Share of Profit/(loss) in Associate/ Joint Venture, Exceptional item and tax		13,594.77	18,840.32
Share of Profit/(loss) in Associate/ Joint Venture, net of tax		(173.58)	(35.09)
Profit before exceptional item and tax		13,421.19	18,805.23
Exceptional (income)/ expense	30	6,084.00	-
Profit before tax		19,505.19	18,805.23
Tax Expenses			
a) Current tax		4,523.00	3,987.24
b) Deferred tax		361.83	(533.46)
Less: Mat credit entitlement		-	(104.60)
Net Deferred tax		361.83	(638.06)
Total tax expenses		4,884.83	3,349.18
Profit for the year		14,620.36	15,456.05
Other comprehensive income/ (expense)			
(a) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		10.48	(109.38)
(b) Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges (net of tax)		16.59	4.83
Total Other Comprehensive Income/(Loss) for the year		27.07	(104.55)
Total Comprehensive Income/(Loss) for the year		14,647.43	15,351.50
Profit for the year attributable to:			
a) Owners of the Company		14,778.03	15,615.34
b) Non Controlling Interest		(157.67)	(159.29)
Other Comprehensive Income for the year attributable to:			
a) Owners of the Company		27.07	(104.55)
b) Non Controlling Interest		-	-
Total Comprehensive Income for the year attributable to:			
a) Owners of the Company		14,805.10	15,510.79
b) Non Controlling Interest		(157.67)	(159.29)
Earning per equity share, par value of Re. 1/- each			
Basic (Rs.)		18.13	19.15
Diluted (Rs.)		18.13	19.15

The accompanying notes form an integral part of the consolidated financial statements 01 to 48

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

K. Shravan
Partner
M.No. 215798

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 31 May, 2021

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Consolidated Statement of Changes in Equity

As at 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

A. Equity Share Capital

Particulars	Total
Balance as at 01 April, 2019	815.27
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	815.27
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	815.27

B. Other Equity

Particulars	Securities Premium	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)		Foreign Currency Monetary Translation Difference Account	Gain on forfeiter of equity shares	Total
				Cash flow hedge reserve	Remeasurement of defined benefit plan			
Balance as at 01 April, 2019	42,863.93	5,182.68	70,748.45	(46.74)	(165.54)	354.36	8.76	118,945.90
Addition/Deletion during the year	(175.23)	-	-	-	-	(96.45)	-	(271.68)
Profit for the year	-	-	15,615.34	-	-	-	-	15,615.34
Other Comprehensive income, net of tax	-	-	-	4.83	(109.38)	-	-	(104.55)
Dividend including dividend distribution tax	-	-	(2,064.01)	-	-	-	-	(2,064.01)
Balance as at 31 March, 2020	42,688.70	5,182.68	84,299.78	(41.91)	(274.92)	257.91	8.76	132,121.00
Addition/Deletion during the year	175.23	-	73.25	-	-	(123.19)	-	125.29
Profit for the year	-	-	14,778.03	-	-	-	-	14,778.03
Other Comprehensive income, net of tax	-	-	-	16.59	10.48	-	-	27.07
Dividend including dividend distribution tax	-	-	-	-	-	-	-	-
Balance as at 31 March, 2021	42,863.93	5,182.68	99,151.06	(25.32)	(264.44)	134.72	8.76	147,051.39

The accompanying notes form an integral part of the consolidated financial statements 01 to 48

Note:

- Securities premium:** This reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- General Reserve:** This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Cash flow hedge reserve:** This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.
- Remeasurements of the net defined benefits plan:** This reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

As per our report of even date attached for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration No. 000513S

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Vishnukant Bhutada
Managing Director
DIN : 01243391

Consolidated Statement of Cash Flow

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax	19,505.19	18,805.23
Adjustments for:		
Depreciation and amortisation expenses	5,397.67	4,377.68
Interest income	(353.17)	(149.61)
Liabilities/ Provision written back	(701.64)	(158.49)
Finance cost	2,186.87	455.76
(Profit) / Loss on sale of Asset	57.68	(1.37)
Share of (profit)/loss of associates and joint ventures	173.58	35.09
Advances/Bad Debts written off	53.04	32.81
Unrealised foreign exchange (gain)/loss	(93.91)	(387.00)
Net gain recognized on sale of stake in Associate Company	(6,084.00)	-
Corporate Gaurantee fees	-	(6.02)
Government Grant	(45.57)	(31.68)
Operating Profit before working capital changes	20,095.74	22,972.40
Movement in Working Capital		
Decrease/(increase) in inventories	(10,634.32)	(4,116.07)
Decrease/(increase) in trade receivables	1,304.82	(3,256.68)
Increase / (decrease) trade payables	(630.22)	540.81
Decrease / (Increase) in financial and non financial assets	(3,395.81)	(929.40)
Increase / (decrease) in financial liabilities and other liabilities	2,726.91	1,446.39
Cash Generated from Operations	9,467.12	16,657.45
Taxes Paid	4,760.00	4,219.63
Net Cash flow generated / (used) from operating activities (A)	4,707.12	12,437.82
Cash Flow From Investing Activities		
Purchase of property plant and equipment and intangible assets incl CWIP	(35,424.21)	(34,927.97)
Proceeds from sale of assets	480.94	473.50
Acquisition of subsidiaries, net of cash acquired	(6,243.93)	-
(Increase)/ Decrease in Investment	(1,416.70)	(896.50)
Investment in Fixed Deposit hed as margin money	(4,151.61)	(65.35)
Movement in other bank balances	(1.22)	6,001.80
Proceeds from sale of stake in Associate company	6,084.00	-
Interest Received	196.66	462.73
Dividend Reieved	48.47	-
Net cash flow generated/(used) from investing activities (B)	(40,427.60)	(28,951.79)

Consolidated Statement of Cash Flow (Conti..)

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Cash flows from Financing Activities		
Proceeds from/(repayment of) long-term loans and borrowings (net)	38,052.39	8,167.20
Proceeds from/(repayment of) short-term loans and borrowings (net)	7,813.05	11,191.80
Payment of lease liabilities	(41.16)	(13.31)
Proceeds from government grant/capital subsidy	-	695.00
Dividend paid including DDT	-	(2,063.98)
Interest paid	(2,186.87)	(426.47)
Net cash flow generated/(used) from financing activities (C)	43,637.41	17,550.24
Net increase in cash and cash equivalents (A+B+C)	7,916.93	1,036.27
Effect of exchange rate changes on cash and cash equivalents	(14.32)	(17.87)
Cash and cash equivalents at the beginning of the period/year	4,431.43	3,413.03
Cash and cash equivalents at the end of the year	12,334.04	4,431.43
Component of Cash and Cash Equivalent	12,334.04	4,431.43
Cash in Hand	34.46	24.79
Balance with Banks in current account	1,318.04	4,404.41
Deposits with original maturity of less than 3 month	10,932.06	2.23
Cash balance included in disposal group classified as held for sale	49.48	-

The accompanying notes form an integral part of the consolidated financial statements 01 to 48

Note:

1. Previous year figures have been reclassified wherever necessary.
2. Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

K. Shravan
Partner
M.No. 215798

Place : Raichur
Date : 31 May, 2021

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

I. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the Company.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date March 31, 2021. The accounting policies are applied consistently to all the periods presented in the financial statements. The consolidated financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors on May 31, 2021.

II. Basis of Measurement

The consolidated financial statements have been prepared on the historical cost convention and on accrual basis, except for the following assets and liabilities which have been measured at fair value wherever applicable

- Derivative financial instruments
- Certain financial assets / liability measured at fair value,
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

III. Current Vs Non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it satisfies the below mentioned criteria:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle, or

- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it satisfies the below mentioned criteria:

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current

IV. Principles of consolidation

The consolidated financial statements relate to Shilpa Medicare Limited ('the Company'), and its subsidiaries, associates and joint ventures ("the Group").

The Consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within

equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to noncontrolling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively

Investment in Associates and Joint Ventures has been accounted under the equity method as per Ind AS 28 –

The Company accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates Statement of Profit and Loss and through its reserves for the balance based on available information.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

I) The subsidiaries considered in the Consolidated Financial Statements are as under:

Sl. no.	Name of the Subsidiary	Country	Extent of Holding
1	Zatortia Holding Limited ('Zatortia')	Cyprus	100.00%
2	Loba Feinchemie GmbH ('Loba') (Step-down Subsidiary)	Austria	99.99%
3	Shilpa Therapeutics Pvt. Ltd. (Shilpa Therapeutics)	India	100.00%
4	Makindus. Inc ('Makindus')	Delaware (USA)	55.78%
5	INM Technology Private Limited ('INM')	India	100.00%
6	INM Nuvent Paint Pvt Ltd (Step-down Subsidiary)	India	75.00%
7	Koanaa Healthcare Limited	United Kingdom	100.00%
8	Koanaa Healthcare GmbH	Austria	100.00%
9	Shilpa Pharma Inc.	USA	100.00%
10	Shilpa Biologicals Private Limited	India	100.00%
11.	Shilpa Biocare Pvt. Ltd.(Erstwhile Shilpa Albumin Private Limited)	India	100.00%
12.	Shilpa Corporate Holdings Pvt. Ltd.	India	100.00%
13.	FTF Pharma Private Limited	India	100.00%
14.	Koanaa Healthcare Canada Inc.	Canada	100.00%
15.	Koanaa International FZ LLC	Dubai	100.00%
16.	Indo Biotech SDN. BHD	Malaysia	100.00%

II) The Associates considered in the Consolidated Financial Statements are as under:

Sl. no.	Name of the Subsidiary	Country	Extent of Holding
1	Reva Pharmachem Pvt. Ltd.	India	33.33%
2	Maia Pharmaceuticals INC. USA	New Jersey (USA)	34.79%
3	Raichem Medicare Pvt. Ltd.	India	26.00%

III) The Joint Venture considered in the Consolidated Financial Statements are as under:

Sl. no.	Name of the Joint venture	Country	Extent of Holding
1	Reva Medicare Pvt. Ltd.	India	50.001%
2	Sravathi Advance Process Tech Private Limited	India	65.00%

1.1 Significant Accounting Policies

Critical accounting 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 and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (h))
- Estimation of useful life of property, plant and equipment and intangibles (Note 1.1(a))

- Recognition of deferred taxes (Note 1.1 (r))
- Estimation of impairment (Note 1.1 (d))
- Estimation of provision and contingent liabilities (Note 1.1 (s))
- Business Combination (Note-1.1(e))

a) Property, Plant and Equipment & Depreciation:

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act 2013, with exception of those assets whose useful life is ascertain by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

b) Intangible Assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

Intangible Assets include capitalized expenditure on filing and registration of any Drug Master File (DMF) or Abbreviated New Drug Application (ANDA) and compliance with regulatory procedures of the USFDA, in filing such DMF or ANDA, which are in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements. The cost of each DMF/ ANDA is amortized over its estimated useful life from the date on which the amount has been capitalized.

c) Research and Development:

All expenditure on research activities are recognized in the Profit and Loss Statement when incurred. Expenditure on development activities are also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed product are capitalized. The Company's criteria for capitalization of such assets are consistent with the guidance given in paragraph 25 of Ind AS 38 (receipt of economic benefit out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

d) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

e) Business Combination and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises on account of such business combination is tested annually for impairment.

f) Non-Current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Held for Sale".

g) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) 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 plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

i) Cash and Cash Equivalent.

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of book overdraft.

j) Dividend to Shareholders:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors, Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

k) Leases

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

benefits from the use of the asset through the period of lease; and

- c) The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

l) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of products:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, Amount disclosed as revenue are

inclusive of excise duty, excluding goods and service tax (GST), sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net off returns, trade discounts, rebates and any amount collected on behalf of third parties.

(ii) Development Revenue:

Development revenue are recognized over the time period of the development activity and are recognized on the completion of each milestones as per term of the agreement.

(iii) Recognition of Export benefits

Export benefit entitlements in respect of incentive schemes including Merchandise Export Incentive Scheme (MEIS) and Focus Product Scheme (FPS) of the government of India are recognized in the period in which they are approved.

m) other Income

- i. Interest Income is recognized using the Effective interest rate (EIR) method.
- ii. Dividend income is recognized when right to receive is established.
- iii. The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants is received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Grants related to income are recognised in the profit & loss account under other income.

n) Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

o) Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as 'Deferred Government Grant' and are credited to profit & loss account under other income on a straightline basis over the expected lives of the related assets.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

p) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments are reduced from the borrowing cost.

q) Financial Instrument:

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

l) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- Trade receivables
- Loans
- Other Financial Assets

(b) Financial Assets Measured at fair value through other comprehensive income (FVTOCL)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The classification is based on initial recognition and is irrevocable

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans,

debt securities, deposits, trade receivables and bank balance

- Financial Assets that are debt instruments and are measured at FVTOCI.
- Lease receivables under Ind AS 17.
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured at FVTPL
- Financial guarantee contracts which are not measured at FVTPL

II) Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

the obligation specified in the contract is discharged or cancelled or expires.

III) Derivative financial instrument and hedge accounting

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r) Taxes on Income:

Tax expense comprises of current and deferred tax.

- i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act
- ii. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.
- iii. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

s) Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

t) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

u) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period,

v) Exceptional Items:

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

1.2 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block				
	As at 01 April, 2020	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2021	As at 01 April, 2020	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2021	As at 31 March, 2021
a) Borewell	25.79	-	-	-	25.79	18.31	1.79	-	-	20.10	5.69
b) Building	15,675.57	11,315.98	(3,478.02)	-	23,513.53	5,450.14	477.55	(2,688.58)	-	3,239.11	20,274.42
c) Canteen Equipment	1,997	34.88	(0.10)	-	54.75	12.56	3.40	(0.02)	-	15.94	38.81
d) Computer	1,190.42	242.68	(16.13)	0.05	1,417.02	812.27	168.80	23.88	0.03	1,004.98	412.04
e) Electrical Installation	4,737.95	3,298.57	(38.25)	-	7,998.27	2,264.12	436.96	(2.82)	-	2,698.26	5,300.01
f) ETP Building	565.85	-	-	-	565.85	187.75	17.73	-	-	205.48	360.37
g) ETP Machinery	530.58	381.39	-	-	911.97	158.80	25.60	-	-	184.40	727.57
h) EHS Equipment	51.10	114.40	(0.06)	-	165.44	16.76	6.76	(0.01)	-	23.51	141.93
i) Furniture	3,994.24	837.53	(2,124.42)	(0.22)	2,707.13	2,556.94	219.71	(1,759.75)	(0.16)	1,016.74	1,690.39
j) Land & Green Field	1,602.56	1,059.72	(136.32)	-	2,525.96	-	-	-	-	-	2,525.96
k) Lab Equipments	10,675.30	3,916.80	(541.17)	-	14,050.93	4,467.86	887.44	(116.01)	-	5,239.29	8,811.64
l) Network Server equipment	160.92	98.78	(18.47)	-	241.23	58.76	30.40	(3.84)	-	85.32	155.91
m) Office Equipment	341.81	183.20	(104.21)	(0.11)	420.69	202.46	45.56	(95.18)	(0.12)	152.72	267.97
n) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,107.90	103.97	-	-	2,211.87	1,631.17
o) Pipeline	4,076.28	845.25	-	-	4,921.53	1,198.53	188.27	-	-	1,386.80	3,534.73
p) Plant & Machinery	39,774.05	25,348.65	(3,181.88)	-	61,940.82	12,173.96	1,904.51	(2,814.15)	-	11,264.32	50,676.50
q) Pollution Control Equip.	37.34	-	-	-	37.34	30.65	0.84	-	-	31.49	5.85
r) Vehicle	233.13	30.97	(62.49)	-	201.61	99.48	32.96	(20.23)	-	112.21	89.40
s) Vehicles Electrical Operated	40.92	-	-	-	40.92	25.39	4.92	0.03	-	30.34	10.58
t) Weigh bridge	8.42	-	-	-	8.42	5.32	0.47	-	-	5.79	2.63
Total	87,585.24	47,708.80	(9,701.52)	(0.28)	125,592.24	31,847.96	4,557.64	(7,476.68)	(0.25)	28,928.67	96,663.57

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block				
	As at 01 April, 2020	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2021	As at 01 April, 2020	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2021	As at 31 March, 2021
a) Computer software	1,261.39	151.96	(129.83)	1.57	1,285.09	628.97	180.11	(100.66)	-	708.42	576.67
b) DMF/ANDA/Patents Fees	1,485.09	24.65	-	-	1,509.74	552.27	151.27	-	-	703.54	806.20
c) Non compete Agreement	1,045.00	200.00	-	-	1,245.00	482.54	164.63	-	-	647.17	597.83
d) Acquired Assets through fair valuation	-	245.03	-	-	245.03	-	-	-	-	-	245.03
e) Other	926.15	4,535.70	(239.40)	33.07	5,255.52	86.13	58.87	(51.51)	-	93.49	5,162.03
Total	4,717.63	5,157.34	(369.23)	34.64	9,540.38	1,749.91	554.88	(152.17)	-	2,152.62	7,387.76

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block				Depreciation / Adjustment				Net Block		
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2020	As at 01 April, 2019	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2020	As at 31 March, 2020
a) Borewell	25.39	0.40	-	-	25.79	16.23	2.08	-	-	18.31	7.48
b) Building	14,537.14	1,065.75	(147.08)	219.76	15,675.57	4,980.92	440.17	(147.08)	176.13	5,450.14	10,225.43
c) Canteen Equipment	17.76	2.21	-	-	19.97	9.68	2.88	-	-	12.56	7.41
d) Computer	921.64	297.98	(29.20)	-	1,190.42	691.33	139.66	(18.72)	-	812.27	378.15
e) Electrical Installation	3,957.29	810.94	(30.28)	-	4,737.95	1,985.33	306.32	(27.53)	-	2,264.12	2,473.83
f) ETP Building	565.85	-	-	-	565.85	170.02	17.73	-	-	187.75	378.10
g) ETP Machinery	508.65	21.93	-	-	530.58	135.75	23.05	-	-	158.80	371.78
h) EHS Equipment	46.75	4.35	-	-	51.10	12.10	4.66	-	-	16.76	34.34
i) Furniture	3,621.71	312.54	(74.42)	134.41	3,994.24	2,266.14	229.84	(52.98)	113.94	2,556.94	1,437.30
j) Land & Green Field	1,593.78	-	-	8.78	1,602.56	-	-	-	-	-	1,602.56
k) Lab Equipments	10,461.92	1,148.39	(935.01)	-	10,675.30	3,896.60	889.28	(318.02)	-	4,467.86	6,207.44
l) Network Server equipment	129.89	31.03	-	-	160.92	36.37	22.39	-	-	58.76	102.16
m) Office Equipment	287.98	50.74	(4.11)	7.20	341.81	153.12	46.68	(2.81)	5.47	202.46	139.35
n) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,003.93	103.97	-	-	2,107.90	1,735.14
o) Pipeline	3,639.75	436.53	-	-	4,076.28	1,036.46	162.07	-	-	1,198.53	2,877.75
p) Plant & Machinery	33,200.93	6,613.65	(238.23)	197.70	39,774.05	10,706.51	1,479.08	(196.11)	184.48	12,173.96	27,600.09
q) Pollution Control Equip.	37.34	-	-	-	37.34	30.23	0.42	-	-	30.65	6.69
r) Vehicle	270.82	-	(37.69)	-	233.13	103.98	27.52	(32.02)	-	99.48	133.65
s) Vehicles Electrical Operated	34.87	6.05	-	-	40.92	20.89	4.50	-	-	25.39	15.53
t) Weigh bridge	8.42	-	-	-	8.42	4.85	0.47	-	-	5.32	3.10
Total	77,710.92	10,802.49	(1,496.02)	567.85	87,585.24	28,260.44	3,902.77	(795.27)	480.02	31,847.96	55,737.28

4 INTANGIBLE ASSET

Particulars	Gross Block				Depreciation / Adjustment				Net Block		
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2020	As at 01 April, 2019	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2020	As at 31 March, 2020
a) Computer software	1,110.42	148.69	(8.76)	11.04	1,261.39	458.10	168.28	(6.64)	9.23	628.97	632.42
b) DMF/ANDA/Patents Fees	1,456.60	32.88	(4.39)	-	1,485.09	405.60	147.60	(0.93)	-	552.27	932.82
c) Non compete Agreement	1,045.00	-	-	-	1,045.00	321.40	161.14	-	-	482.54	562.46
d) Other	318.11	569.05	-	38.99	926.15	69.84	11.51	-	4.78	86.13	840.02
Total	3,930.13	750.62	(13.15)	50.03	4,717.63	1,254.94	488.53	(7.57)	14.01	1,749.91	2,967.72

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Machinery under erection	3,169.38	2,667.98
b) Projects under erection	27,044.12	45,540.25
Total	30,213.50	48,208.23

5 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Software under installation	86.52	120.56
b) Product under development	23,054.40	17,632.42
c) DMF /ANDA/Patents Fees	774.65	664.25
Total	23,915.57	18,417.23

6 FINANCIAL ASSETS

(i) Non-Current Investment

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade Investments (At Cost) fully paid up		
I) In Joint Venture/Associate Companies		
a) Investments in Equity Instruments (Unquoted)		
i) 5,001 (5,001) share of ₹ 10 each in Reva Medicare Pvt. Ltd., Raichur.	268.93	149.36
ii) Investment in Auxilla Pharmaceuticals & Research LLP (40% Capital Contribution)	565.02	-
b) Investments in Preference Instruments (Unquoted)		
i) 1,535,000 (840,000) non-cumulative non-participating convertible preference shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	1,061.07	741.76
ii) Application money for NIL (50,000) non-cumulative non-participating convertible shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	-	50.00
iii) 165,000 (NIL) Non-cumulative shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	120.79	-
II) Investments in Government Securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
III) Others		
i) 741,362 (741,362) shares of ₹ 14 each of Prathijna Sustainable Solutions Pvt. Ltd., Bangalore.	103.79	103.79
ii) 2,000 (NIL) shares of ₹ 100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	-
Total value of unquoted investment	2,121.80	1,045.11
Aggregate value of unquoted investment	2,121.80	1,045.11

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(ii) Other Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	461.82	451.31
(ii) Rental deposits	42.33	121.69
(iii) Telephone deposits	0.92	0.92
(iv) Miscellaneous deposits	92.10	29.64
Total (a)	597.17	603.56
b) Cross currency swap account	174.27	543.81
Total (b)	174.27	543.81
Total (a + b)	771.44	1,147.37

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Capital advances		
(i) Unsecured, considered good	3,623.11	2,548.43
Less: Written off	-	-
Total (a)	3,623.11	2,548.43
b) Others		
(i) Income Tax paid under protest	43.33	43.33
(ii) VAT on Capital Goods & Others Item (Refer Note. 43)	46.48	46.48
(iii) Prepaid Expenses	136.90	34.60
(iv) Excise duty	24.70	-
Total (b)	251.41	124.41
Total (a+b)	3,874.52	2,672.84

8 INVENTORIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Raw materials	13,629.71	11,299.50
(ii) Work-in-progress	3,412.72	1,899.89
(iii) Finished goods	8,851.14	6,225.81
(iv) Stock-in-trade	679.01	234.55
(v) Stores and Spares	3,766.09	2,073.01
(vi) Packing materials	1,345.07	910.60
Total	31,683.74	22,643.36

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

9 FINANCIAL ASSETS

(i) Current Investment

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investment in mutual funds/ bonds		
Investment in Bonds	1,437.39	1,437.39
Total	1,437.39	1,437.39
Less : Provision for diminishing in the value of Investment	1,437.39	1,437.39
Total value of unquoted investment	-	-
Aggregate value of unquoted investment	-	-

(ii) Trade Receivables (Refer Note 47)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
(a) Considered good	22,268.70	24,679.47
Total (a)	22,268.70	24,679.47
(b) Significant increase in credit risk	-	46.35
Less : Written-off	-	(46.35)
Total (b)	-	-
Total (a+b)	22,268.70	24,679.47

Note : Trade receivable in above note no: 9 (ii) (a) includes ₹ 177.75 (PY ₹ 183.04) is receivable from related parties (refer note no: 41 Related Party Transaction)

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
i) Cash on Hand	34.46	24.79
ii) Balance with Banks in Current Account	1,318.04	4,404.41
iii) Deposit with original maturity of less than 3 months	10,932.06	2.23
Total	12,284.56	4,431.43

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2021	As at 31 March, 2020
Earmarked Balances		
(i) Unclaimed dividend accounts	26.08	24.85
Total	26.08	24.85

(v) Loans

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Unsecured, considered good		
(i) Koanaa Healthcare Spain. S. L.,	122.22	-
Total	122.22	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(vi) Other Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Income accrued and due	640.91	72.77
b) CST receivable	-	34.81
c) Staff advance	48.79	187.82
d) Tender deposits	8.74	8.49
e) Fixed deposits having maturity less than 12 months and held as margin money	4,244.33	92.71
f) Interest accrued on fixed deposits/others	152.33	17.95
g) Export incentives in hand	-	230.22
Total	5,095.10	644.77

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) CENVAT receivable	0.17	46.92
b) Prepaid Expenses	626.65	688.08
c) VAT, Entry Tax ESI, & Professional Tax	0.26	25.22
d) Advances to supplier/ receivables	2,115.53	1,986.42
e) CGST /IGST /SGST receivable	8,342.88	6,590.54
Total	11,085.49	9,337.18

11 CURRENT TAX ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Income tax (Net)	861.17	624.17
Total	861.17	624.17

12 EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021	As at 31 March, 2020
Authorised share capital		
95,000,000 (PY 95,000,000) shares face value of Re. 1/- each.	950.00	950.00
	950.00	950.00
Issued, subscribed & fully paid up capital		
Opening Balance	815.27	815.27
Changes During the Year	-	-
Closing Balance	815.27	815.27
81,526,898 (P.Y. 81,526,898) shares face value of Re. 1/- each.	815.27	815.27
	815.27	815.27

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	81,526,898	815.27	81,526,898	815.27
Add : Issued during the year face value of Re. 1/- each.	-	-	-	-
Shares outstanding at the end of the year	81,526,898	815.27	81,526,898	815.27

(b) Rights, preference and restriction attached to each class of shares :

Equity Shares:

The Company has only one class of equity shares having par value of Re .1/- per share. Each holder of equity shares is entitle to one vote per share.

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

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% Holding	No of Shares	% Holding
(i) Vishnukant .C. Bhutada	6,365,610	7.81	8,086,012	9.92
(ii) Dharmavati Bhutada	6,207,796	7.61	6,207,796	7.61
(iii) Tano Mauritius India FVCI II	4,979,605	6.11	6,179,506	7.58
(iv) Baring India Private Equity III Limited	-	-	6,000,000	7.36

(d) Details of Equity Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Particulars	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Shares issue to Director of Navya Biological Pvt. Ltd. on account of merger	-	-	1,399,994	-	-

13 OTHER EQUITY

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Securities Premium Account	42,863.93	42,688.70
(b) General Reserves	5,182.68	5,182.68
(c) Retained Earning	99,151.06	84,299.78
(d) Others		
i) Cash flow hedge reserve	(25.32)	(41.91)
ii) Remeasured of defined benefit plan	(264.44)	(274.92)
(e) Gain on forfeiture of equity shares	8.76	8.76
(f) Foreign Currency Monetary Translation Difference Account	134.72	257.91
Total	147,051.39	132,121.00

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

14 FINANCIAL LIABILITIES

(i) Long Term Borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
Term Loans		
a) From Banks (secured)		
I) SCB - External Commercial Borrowings	-	2,120.23
Nature of Security		
ECB of USD 15 MN is taken from Standard Chartered Bank, London (SCB) and the said facility is secured by first pari passu charge on moveable and immovable fixed asset of SEZ unit and plant & machinery of Deosugur unit, including proposed capex created out of such loan and personal guarantees given by two (02) of its Directors. The Company had entered into hedge contract with bank on the said facility.		
Terms of Repayment & Interest Rate:		
Repayment of ECB Loan from SCB have a moratorium period of 15 months and would be repayable in 16 quarterly installments with the final installment falling due at the end of the 60th month from the date of grant of loan. The loan is repayable of ₹ 62.34 MN quarterly. Further the Company has hedge principal amount of USD 15 MN @ 66.50 with fixed interest at 8.90% payable monthly.		
II) HDFC - Term Loan	19,881.00	6,828.13
Nature of Security		
Shilpa Medicare : Term loan of ₹ 1000 MN taken from HDFC, Hyderabad and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I, Raichur, second pari passu charge on SEZ unit, Jadcherla and personal guarantees given by two (02) of its Directors.		
Shilpa Biology : Term loan taken from HDFC is secured by charge on the Primary Plant & Machinery, Factory Land and Building , Current Assets of the company and Corporate Gurantee from Shilpa Medicare Limited (Holding Co) and personal guarantee of Director of the company.		
Terms of Repayment & Interest Rate:		
Shilpa Medicare : 5% Repayment is payable in the first year in equal quarterly installment and remaining 95% in four (04) years in equal quarterly installment from the date of disbursement. Interest chargeable at 8% linked to repo rate with reset on every three month.		
Shilpa Biology : The said loan was originally repayable in 4 years and 11 months starting from 30.08.2021.		
III) HSBC - Term Loan	10,000.00	7,500.00
Nature of Security		
Term loan of ₹ 1000 MN taken from HSBC, Bangalore and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I situated at Deosugur and exclusive charge on Unit-II situated at Chicksugur and personal guarantee given by two (02) of its Directors.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Terms of Repayment & Interest Rate:		
Repayment of term loan from HSBC with a moratorium period of 12 months and would be repayable in 16 rear ended quarterly installments of ₹ 62.50 MN with the final installment falling due at the end of the January- 2024 interest payable 03 month MCLR payable monthly.		
IV) Axis Bank - Term Loan	8,750.00	-
Nature of Security		
Term loan of ₹ 1000 MN taken from Axis Bank, Bangalore and is secured by exclusive charge, by way of equitable mortgage, on immovable fixed assets of Dobaspet, Bangalore unit, both present and future and also exclusive charge, by way of hypothecation, on movable fixed assets of Dobaspet, Bangalore unit, both present and future and secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from Axis Bank with a moratorium period of 12 months and would be repayable in 16 equal quarterly installments of ₹ 62.50 MN with the final installment falling due at the end of the June- 2025. Interest payable monthly rests even during moratorium period.		
V) SCB - Term Loan	7,350.00	-
Nature of Security		
Term loan of ₹ 735 MN taken from SCB, Bangalore and is secured by first pari passu charge on the movable fixed assets at Jedcherla, Formulation unit with 1.25X cover to be maintained and also first pari passu charge on Land and building of Formulation unit at Jedcherla with 1.25X cover to be maintained and also secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from SCB would be repayable within 5 years in 16 equal quarterly installments starting from 15th month from the date of draw down and the final installment falling due at the end of the January - 2026. Interest payable monthly in arrears.		
VI) Citi Bank - Term Loan	2,031.25	-
Nature of Security		
Term Loan from Citibank NA is secured by exclusive charge on present & future current assets and movable and immovable assets of the company. Exclusive charge by way of equitable mortgage on land & buildings situated at 118, cherlapally, IDA Phase III, Hyderabad alongwith Corporate Guarantee by holding company Shilpa Medicare Limited		
Terms of Repayment & Interest Rate:		
Repayment of Term Loan from Citibank NA have a moratorium period of 12 Months and repayable in 16 equal quarterly installments. First installment falling due on 23.07.2021 and final installment on 23.04.2025. Interest payable monthly in arrears.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2021	As at 31 March, 2020
b) From Others (unsecured)		
l) Loan under SBIRI Scheme	32.44	53.49
Loan from Department of Biotechnology, Ministry of Science and Technology, New Delhi. Under Scheme Small Business Innovative Research Initiative (SBIRI)		
Terms of Repayment & Interest Rate:		
The loan is repayable in 10 equal yearly installments starting from 17.08.2013 of ₹ 21.05 Lakhs with final installment falling due on 17.08.2022. Interest is payable @ 1% P.A. on amount drawn upto ₹ 100 Lakhs and @ 2% above ₹ 100 Lakhs, and is payable in 02 equal installment after principal repayment.		
Preference Share Capital		
l) Shilpa Medicare Limited, Raichur	2.60	-
Total	48,047.29	16,501.85

(ii) Others

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Deferred Consideration Payable	500.00	-
Total	500.00	-

15 PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Provision for gratuity	1,340.77	2,542.07
(ii) Provision for leave encashment	206.80	74.81
Total	1,547.57	2,616.88

16 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	11,208.91	10,119.49
(ii) Deferred tax asset (On account of disallowable items under Income Tax Act)	(2,964.39)	(1,641.93)
(iii) MAT Credit Entitlement	(3,516.28)	(4,279.11)
Total	4,728.24	4,198.45

17 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Deferred revenue	12.44	187.55
(b) Capital subsidy / Deferred Government grant	1,767.57	1,979.19
(c) Lease Liability	186.69	209.64
Total	1,966.70	2,376.38

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

18 FINANCIAL LIABILITIES

(i) Borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
Secured Loan		
a) Working capital loan		
From Banks		
i) Standard Chartered Bank (PCFC) [refer note 'a' & 'f (i)' below]	6,232.09	6,350.89
ii) Citi Bank (PCFC) [refer note 'b' & 'f - (ii)' below]	5,475.71	4,674.83
iii) HSBC (PCFC) [refer note 'c' & 'f (iii)' below]	2,932.58	4,614.37
iv) Erste Bank Austria OCC-Loba (refer note 'd')	-	887.24
v) HDFC (WCDL) [refer note 'e' & 'f (iv)' below]	5,000.00	-
vi) HSBC (WCDL) [refer note 'c' & 'f (v)' below]	2,000.00	-
vii) Citi Bank (WCDL) [refer note 'b' & 'f (vi)' below]	2,700.00	-
Nature of Security		
(a) Working capital loan from Standard Chartered Bank (SCB) is secured by first pari passu charge on current assets and first charge on certain fixed assets movable & imovable (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors		
(b) Working capital loan from Citi bank (CB) is secured by first pari passu charge on current assets and charge on fixed assets (except those created through other loans) in line with other working capital lenders and personal gurantee of 02 Directors . The sanction facility is interchangeably as PCFC/Cash credit and applicable interest will be charge.		
(c) Working capital loan from HSBC is secured by first pari passu charge on current assets and charge on moveable fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors.		
(d) Working capital loan from Erste Bank is secured against property and open orders for the export promotion credit . Rate of Interest charges on such loan is @ 2.75%		
(e) Working capital loan from HDFC is secured by first pari passu charge on current assets of the company. Second pari passu charge on Factory land and building of Jadcherla SEZ unit. Second pari passu charge on Factory movable and immovable fixed assets of Jadcherla SEZ unit and personal Gurantee of 02 Directors .		
f) Interest rate as at March 31, 2021 is as under:		
(i) On PSFC/PCFC - LIBOR + 0.90%		
(ii) On PSFC/PCFC - LIBOR + 1.50%		
(iii) On PSFC/PCFC - LIBOR + 1.25%		
(iv) 5.20% per annum		
(v) 6.35% per annum		
(vi) 6.00% per annum		
Total	24,340.38	16,527.33

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(ii) Trade Payable (Refer Note 42 & 47)

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Trade payables due to micro and small enterprises	1,355.27	1,078.38
b) Trade payables due to other than micro and small enterprises	5,859.37	8,176.46
Total	7,214.64	9,254.84

Note : Trade payable in above note no: 18 (ii) (b) includes ₹ 120.85 (PY ₹ 288.91) is payable to related parties (refer note no: 41 Related Party Transaction)

(iii) Other financial liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Current maturities of long-term debt	12,021.33	5,958.73
b) Interest accrued but not due on borrowings	263.65	88.93
c) Unclaimed dividends	26.08	24.85
d) Employee benefit liability	2,988.65	2,465.20
e) Books overdraft	-	0.92
f) Unclaimed bonus & salary	0.75	-
g) Capital creditors	4,145.55	3,404.57
h) Interim dividend payable	-	1.18
i) Others	32.51	29.96
Total	19,478.52	11,974.34

19 OTHER CURRENT LIABILITY

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Advances from customers	748.19	398.34
b) Tax deduction at source	941.12	1,541.18
c) ESI, Professional tax etc.	11.82	34.03
d) Security trade deposit	154.40	104.40
e) Provident fund payable	150.04	138.28
f) Unclaimed bonus & salary	15.69	17.92
g) Custom duty	8.99	1.57
Total	2,030.25	2,235.72

20 PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for expenses	1,131.22	1,089.35
Total	1,131.22	1,089.35

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

21 REVENUE FROM OPERATIONS-SALES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Sales of products	85,312.01	75,701.15
b) Export Incentives	97.11	903.47
c) Energy sales	511.66	598.99
Total	85,920.78	77,203.61
Abstract		
(i) Bulk Drugs/Intermediates	60,765.92	55,440.74
(ii) Formulation	21,976.49	19,429.26
(iii) Export Incentives	97.11	903.47
(iv) Power	511.66	598.98
(v) Trading and others	2,569.60	831.16
Total	85,920.78	77,203.61

22 REVENUE FROM OPERATIONS-SERVICE AND LICENCE FEES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Product development & License fees	4,192.23	13,587.37
Total	4,192.23	13,587.37

23 OTHER INCOME

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Interest Income on :		
i) Deposit with bank	313.19	119.73
ii) Others	30.56	29.84
b) Liabilities written back	701.64	31.94
c) Provision written back	-	126.55
d) Corporate guarantee fees	-	6.02
e) Government grant	45.57	31.68
f) Claim received	1,377.68	1,125.75
g) Miscellaneous income	545.52	222.44
Total	3,014.16	1,693.95

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

24 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Inventory at the beginning of the year	11,367.14	10,772.70
Add: Purchases	35,210.71	29,265.04
Less: Inventory at the end of the year	14,689.40	11,336.22
Cost of raw materials and packing materials consumed	31,888.45	28,701.52

25 PURCHASE OF STOCK -IN-TRADE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Purchase of Medicines/Bulk Drugs/Others	1,067.66	676.29
Total	1,067.66	676.29

26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK -IN-TRADE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening Inventories		
(i) Finished goods	6,073.41	4,701.39
(ii) Work-In-process	1,899.89	1,701.08
Closing Inventories		
(i) Finished goods	10,443.61	6,107.86
(ii) Work-In-process	3,412.72	1,899.89
(Increase) / decrease in inventory	(5,883.03)	(1,605.28)

27 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Salaries, wages and bonus	21,473.78	17,973.60
b) Contribution to provident fund /gratuity and other funds	1,660.91	1,346.68
c) Staff welfare expenses	396.02	338.82
Total	23,530.71	19,659.10

28 FINANCE COSTS

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest expense on :		
a) Working capital facility	497.42	396.57
b) Finance cost on lease Liability	18.21	16.16
c) Term loans	1,637.69	-
d) Dividend on cumulative preference shares	16.16	-
e) Others	17.39	43.02
Total	2,186.87	455.75

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

29 OTHER EXPENSES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Power and fuel	4,025.06	3,876.13
b) Repairs and maintenance		
i) Buildings	703.87	475.28
ii) Plant and machinery	3,067.08	2,277.50
iii) Others	520.56	285.09
c) Rent	146.06	244.34
d) Exchange loss/(gain) net	(994.64)	(527.69)
e) Rates and taxes	229.02	586.65
f) Insurance	360.24	242.43
g) Travelling and conveyance	174.04	361.84
h) Contract labour charges	1,022.11	1,029.69
i) Legal & Professional fees	3,035.78	5,156.79
j) Facility fees	645.21	412.31
k) Payments to auditors (Refer Note 38)	24.41	18.78
l) Quality control, research and development expenses	3,380.90	3,689.91
m) Transportation charges	200.95	160.91
n) Brokerage and commission	840.57	528.06
o) Job work charges	3.81	0.66
p) Directors sitting fees	4.20	2.40
q) Sales promotion and advertisement	351.73	114.33
r) Bad debts/advance written off	53.04	32.81
s) Clearing and forwarding expenses	670.49	347.33
t) (Profit)/Loss on sale/discard of assets	57.68	(1.37)
u) VAT and entry tax	216.64	50.08
v) CSR expenses	347.62	660.26
w) Product Filing Fees /patent application fees	148.43	-
x) Miscellaneous expenses	2,109.21	1,355.03
Total	21,344.07	21,379.55

30 EXCEPTIONAL INCOME/ (EXPENSES)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Gain on sale of preferene shares (RMPL)	6,084.00	-
Total	6,084.00	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

31 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
a) Foreign letter of credit	340.19	476.91
b) Bank guarantees / Corporate guarantee	244.50	444.50
c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	4,199.82	4,177.63
d) Others	-	-
Total	4,784.51	5,099.04

32 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

i) Provided fund

Particulars	As at 31 March, 2021	As at 31 March, 2020
Defined Contribution Plan		
Provided fund	582.79	490.36

ii) Defined benefit Plan (Gratuity)

a) Holding Company

Movement of present value of the defined benefit obligation

	As at 31 March, 2021	As at 31 March, 2020
i) Change in defined benefit obligation		
Obligations at year beginning	1,319.43	989.56
Service cost	238.22	161.77
Interest on defined benefit obligation	88.12	65.44
Benefits settled	(58.50)	(62.92)
Divestures (Demerger)	-	(23.19)
Actuarial (gain)/loss	15.92	188.77
Obligations at year end	1,603.19	1,319.43
ii) Change in plan assets		
Plans assets at year beginning, at fair value	230.33	279.65
Expected return on plan assets	14.06	16.95
Actuarial gain/(loss)	1.11	(3.35)
Benefits payout	(50.02)	(62.92)
Plans assets at year end, at fair value	195.48	230.33
iii) Amount recognised in the balance sheet		
Closing BPO	1,603.18	1,319.43
Closing fair value of plan assets	(195.48)	(230.34)
Net asset/(liability) recognized in the balance sheet	1,407.70	1,089.09

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

iv) Expenses recognised in the statement of P & L account		
Service cost	238.22	161.77
Interest cost	88.12	65.44
Expected return on plan assets	(14.06)	(16.95)
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(334.56)	(56.13)
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	136.86	268.56
Actuarial (Gain)/ Losses due to Experience on DBO	213.62	(23.66)
Return on Plan Assets (Greater) / Less than Discount rate	(1.11)	3.35
Total actuarial (gain)/loss included in OCI	14.81	192.12
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	195.48	230.34
%	12.19	17.46
ii) Non fund based (Company manages at its own)	1,407.70	1,089.09
%	87.81	82.54
vi) Principal actuarial assumptions		
Interest rate	-	-
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	6.90%	6.83%
Expected rate of return on assets	6.90%	6.83%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	11%	10% FY5 & 8.5% there after
Attrition rate of employees	16.00%	14.00%
Retirement age of employees (Years)	60	60

Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

b) Indian Subsidiaries Companies

Defined benefit Plan (Gratuity)	As at 31 March, 2021	As at 31 March, 2020
i) Change in defined benefit obligation		
Obligations at year beginning	150.05	156.32
Service cost	26.79	10.40
Interest on defined benefit obligation	9.06	3.68
Benefits Settled	(13.51)	-
Actuarial (gain)/loss	(6.07)	(20.35)
Obligations at year end	166.32	150.05

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Defined benefit Plan (Gratuity)	As at 31 March, 2021	As at 31 March, 2020
ii) Change in plan assets		
Actuarial gain/(loss)	-	(18.73)
Plans assets at year end, at fair value	36.32	9.30
iii) Reconciliation of present value of the obligation and fair value of the plan assets		
Closing BPO	166.32	150.05
Closing fair value of plan assets	(36.32)	(9.30)
Closing funded status	130.00	140.75
Unrecognised actuarial (gains) / losses	-	-
Net asset/(liability) recognized in the balance sheet	130.00	140.75
iv) Expenses recognised in the statement of P & L account		
Service cost	26.79	10.40
Interest cost	9.06	3.68
Actuarial (gains) / losses	(6.07)	(18.73)
Net Gratuity Cost	29.78	(4.65)

c) Principal actuarial assumptions

Defined benefit Plan (Gratuity)	As at 31 March, 2021	As at 31 March, 2020
Interest rate	-	-
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	6.73%	6.86%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	11%	12%
Attrition rate of employees	19.00%	8.00%
Retirement age of employees (Years)	58	58

Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

Holding Company

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Decrease	Increase	Decrease	Increase
Discounted rate	6.40	5.70	9.34	8.10
Salary increase	5.60	6.00	6.94	7.19
Attrition rate	1.30	1.20	1.57	1.42

Sensitivity of signification actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points keeping all other actuarial assumption constant.

33 FAIR VALUE MEASUREMENT HIERARCHY:

Particulars	As at 31 March, 2021					As at 31 March, 2020				
	Carring Amount					Carring Amount				
	Amortized cost	FVTPL			Total	Amortized cost	FVTPL			Total
Level 1		Level 2	Level 3	Level 1			Level 2	Level 3		
FINANCIAL ASSETS										
I. At Amortized Cost										
Non-current investments	2,121.80	-	-	-	2,121.80	1,045.11	-	-	-	1,045.11
Loans	122.22	-	-	-	122.22	-	-	-	-	-
Trade receivable	22,268.70	-	-	-	22,268.70	24,679.47	-	-	-	24,679.47
Cash & bank balance	12,284.56	-	-	-	12,284.56	4,431.43	-	-	-	4,431.43
Other bank balance	26.08	-	-	-	26.08	24.85	-	-	-	24.85
Other financial assets	5,692.27	-	174.27	-	5,866.54	1,248.33	-	543.81	-	1,792.14
Total	42,515.63	-	174.27	-	42,689.90	31,429.19	-	543.81	-	31,973.00
FINANCIAL LIABILITIES										
Borrowings	72,355.23	-	32.44	-	72,387.67	30,855.46	-	2,173.72	-	33,029.18
Trade payables	7,214.64	-	-	-	7,214.64	9,254.84	-	-	-	9,254.84
Other financial liabilities	17,911.20	-	2,067.32	-	19,978.52	9,126.32	-	2,848.02	-	11,974.34
Total	97,481.07	-	2,099.76	-	99,580.83	49,236.62	-	5,021.74	-	54,258.36

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

- 1) The use of quoted market prices or dealer quotes for similar instruments
- 2) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- 3) The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

34 FINANCIAL RISK MANAGEMENT

The Company activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets/liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The Company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

(Amount in lakhs)

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	140.95	39.66	0.05	201.74	22.97	-
Cash and cash equivalents	1.89	2.10	0.36	6.05	10.47	0.06
Short-term borrowings	(197.14)	-	-	(207.47)	(10.68)	-
Trade payables	(21.13)	(2.55)	(0.15)	(51.71)	(8.42)	(0.11)
Net Foreign Currency Risk	(75.43)	39.21	0.26	(51.39)	14.34	(0.05)

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
USD-Sensitivity				
Increase by 1% (gain/(loss))	(55.44)	(38.74)	-	-
Decrease by 1% (gain/(loss))	55.44	38.74	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	33.76	11.91	-	-
Decrease by 1% (gain/(loss))	(33.76)	(11.91)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	0.26	(0.05)	-	-
Decrease by 1% (gain/(loss))	(0.26)	0.05	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the Company weighted average balance manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is the average weighted balance of the respective reporting period.

According to the Company interest rate risk exposure is only for floating rate borrowings, change in 0.5% in the interest rate component applicable to the short term borrowings would effect the Companies net profit before tax at the end of the reporting period year ended 31 March, 2021 and 31 March, 2020 respectively.

Particulars	31 March, 2021	31 March, 2020
Change in 0.50% interest on WCL	121.70	82.64

Note :

- The Company has hedge ECB loan availed from Standard chartered bank. Therefore not subject to interest risks defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

(iii) Price Risk

Company does not have any exposure to price risk, as there is no market based equity investment made by the Company.

B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored and transaction with such customer are covered under letter of credit. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. Two customer are accounted for more than 10% of the trade receivable as of 31 March, 2021 and Three customer for 31 March, 2020. Since the Company is dealing with the customer from past several years, hence there is no concordent risk in dealing with said customers.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Expected credit loss assessment

The Group reviewed customers outstanding at the end of each reporting period and determine incurred and expected credit losses. Past trend of impairment of trade receivables do not reflect any significant credit losses. The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	31 March, 2021	31 March, 2020
Impairment loss recognised - trade receivable	53.04	32.81
%	0.24	0.14

C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the Company maintains the following line of credit facility

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2021:

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	24,340.38	-	-	-
Long term borrowings	-	12,021.33	48,047.29	-
Trade and other payable	-	7,214.64	-	-
Total	24,340.38	19,235.97	48,047.29	-

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

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	16,527.33	-	-	-
Long term borrowings	-	5,958.73	16,501.85	-
Trade and other payable	-	9,254.84	-	-
Total	16,527.33	15,213.57	16,501.85	-

35 CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus of safeguard their ability to continue as a going concern, benefits for stakeholders, creditors and market confidence. Continue to maintain excess liquidity to shareholders by distributing dividends in future.

Company's vision is to keep the ratio below 1.00 and its adjusted net debt to equity ratio was as follows

Particulars	31 March, 2021	31 March, 2020
Total equity attributable to the equity shareholders of the Company As a percentage of total capital	146,749.66	132,145.14
Long-term borrowings	60,068.62	22,460.58
Short-term borrowings	24,340.38	16,527.33
Total Debts	84,409.00	38,987.91
Net Debt to Equity Ratio	0.58	0.30

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

36 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit for the year before OCI	14,778.03	15,615.34
Shares		
Weighted average shares used for computing basic EPS	81,526,898	81,526,898
Weighted average shares used for computing diluted EPS	81,526,898	81,526,898
Earning Per Shares		
Basic (in ₹)	18.13	19.15
Diluted (in ₹)	18.13	19.15

37 RECONCILIATION OF TAX EXPENSES

(I) Income Tax

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current tax on profit for the year	4523.00	3987.24
MAT Credit Entitlement	1,128.02	(104.60)
Origination and reversal of temporary differences	(766.19)	(533.46)
	4,884.83	3,349.18
Amount recognised in statement of profit & loss account	19,505.19	18,805.23
Share of Profit / (loss) in Associate/ Joint Venture, net of tax	173.58	35.09
	19,678.77	18,840.32
Tax at enacted tax rate in India C.Y. @ 34.944% (P.Y. 34.944%)	6,876.55	6,583.56
Weighted deduction on research and development expenditure	(655.06)	(1,028.65)
Exempt income and other deductions (net)	(1,328.95)	(2,202.19)
Non-deductible expenses	79.16	171.30
Tax effect which is chargeable at different rate	(644.18)	(375.37)
Others	557.31	200.53
	4,884.83	3,349.18

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(II) Recognised Deferred Tax Assets / Liabilities

Movement of Deferred Tax Assets / Liabilities	As at 31 March, 2021	As at 31 March, 2020
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	11,180.18	10,116.36
Cross Currency Swap	22.14	16.34
Others	6.59	(13.21)
Gross Deferred Tax Liabilities	11,208.91	10,119.49
Deferred Tax Assets		
Defined benefit obligations	487.75	441.53
Employees benefit liability	53.98	26.14
On unabsorbed loss of subsidiaries	2,108.17	1,172.83
MAT Credit Entitlement Benefit	3,516.28	4,279.10
On Grants	309.14	-
Others	5.35	1.44
Gross Deferred Tax Assets	6,480.67	5,921.04
Net Deferred Tax Liabilities	4,728.24	4,198.45

Movement of Deferred Tax Assets / Deferred Tax Liabilities	As at 01 April, 2020	Through Acquisition/ others	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2021
Deferred Tax Liabilities					
Property, plant and equipment, and intangible assets	10,116.36	502.18	566.51	(4.87)	11,180.18
Cross Currency Swap	16.34	-	-	5.80	22.14
Others	(13.21)	30.98	(8.32)	(2.86)	6.59
Gross Deferred Tax Liabilities	10,119.49	533.16	558.19	(1.93)	11,208.91
Deferred Tax Assets					
Defined benefit obligations	441.53	-	38.28	7.94	487.75
Employees benefit liability	26.14	-	27.84	-	53.98
On unabsorbed loss of subsidiaries	1,172.83	-	935.34	-	2,108.17
MAT Credit Entitlement Benefit	4,279.10	365.20	(1,128.02)	-	3,516.28
On Grants	-	-	309.14	-	309.14
Others	1.44	-	3.91	-	5.35
Gross Deferred Tax Assets	5,921.04	365.20	186.49	7.94	6,480.67
Net Deferred Tax Liabilities	4,198.45	167.96	371.70	(9.87)	4,728.24

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

38 PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a) Statutory Audit	24.41	18.14
b) Reimbursement of expenses	-	0.64
Total	24.41	18.78
Note : Excluding applicable tax.		

39 SEGMENT INFORMATION

The Company is mainly engage in the business of manufacturing of pharmaceutical product and wind power generation. The formulation and product development are inter related and integral part of business of "pharmaceutical products". In accordance with the provisions of IND AS - 108 power segment is not falling in the prescribed limit specified, hence segment reporting is not applicable.

(a) Information about Products and Services:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Pharmaceutical product and services	89,504.24	89,288.52
Power sales	511.66	598.99
others	97.11	903.47
Total	90,113.01	90,790.98

(b) Information about geographical areas

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i) Revenues		
(A) Within India	33,135.20	29,487.26
(B) Outside India		
(i) Europe	26085.35	20169.67
(ii) USA	13292.68	19383.47
(iii) ROW	17599.78	21,750.58
Total	90,113.01	90,790.98

Particulars	As at 31 March, 2021	As at 31 March, 2020
ii) Non-current Assets		
(A) Within India	166,925.06	130,930.92
(B) Outside India	2,131.80	3,411.65
Total	169,056.86	134,342.57

Note: Non-current Assets excludes financial assets

(c') Information about major customer

The Company has two customers who contributed more than 10% of the Company's total revenue during the current year and three customers during the previous year.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

40 OPERATING LEASE

The Company has entered into lease agreements for use of land for its production and R&D facility which expires over a period. Future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(a) Land

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Not later than one year	33.48	33.48
Later than one year and not later than five year	133.90	133.90
Later than five years	1,847.57	1,914.57
Total	2,014.95	2,081.95

(b) Building

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Not later than one year	52.80	71.27
One to Five Year	23.53	145.94
Total	76.33	217.21

41 RELATED PARTY TRANSACTIONS

Related parties where control exists and related parties with whom transactions have taken place during period 01 April 2020 to 31 March 2021 are listed below:

List of Related Parties

1. Associates

- Reva Pharmachem Pvt. Ltd.
- Maia Pharmaceuticals INC. USA

2. Joint Venture (JV)

- Reva Medicare Pvt. Ltd.
- Sravathi Advance Process Technologies Pvt. Ltd.

3. (i) Key Management Personnel-(KMP)

- Vishnukant C. Bhutada - Managing Director
- Sushil Bajaj - Chief Financial Officer (Resigned w.e.f. 20.01.2021)
- V.V. Krishna Chaitanya - Company Secretary
- Kalakota Sharath Reddy - Whole Time Director

(ii) Remuneration paid to Directors

- Omprakash Inani - Non-executive Director
- Pramod Kasat-Independent Director
- Rajender Sunki Reddy-Independent Director
- Amit Chander - Independent Director (Retired w.e.f. 02.10.2020)
- Sirisha Chintapalli - Independent Woman Director
- Piyush Goenka - Independent Director

4. Relatives

- Deepak Kumar Inani
- Keshav Bhutada
- Madhav Bhutada
- Triveni Inani

5. Enterprises having common Directors/ Board of Trustees

- Shilpa Foundation
- Mohini Infra (P) Ltd

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses Other Transaction	Balance as at 31 March 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses Other Transaction	Balance as at 31 March 2020 Payable / (Receivable)
A Remuneration paid to Key Management Personnel							
i)	Vishnukant C. Bhutada	Managing Director	Salary and perquisites*	966.98	454.76	991.98	469.52
ii)	Kalakota Sharath Reddy	Whole Time Director	Salary and perquisites	122.08	7.19	52.62	4.85
iii)	Sushil Bajaj	Chief Financial Officer	Salary and perquisites	36.97	-	46.00	2.15
iv)	Madhusudhan Reddy	Company Secretary	Salary and perquisites	-	-	0.06	-
v)	V.V. Krishna Chaitanya	Company Secretary	Salary and perquisites	7.49	0.56	4.08	0.44
B Remuneration paid to other Directors							
i)	Omprakash Inani	Non-executive Director	Sitting Fees	0.50	-	0.40	-
ii)	Carlton Felix Pereira	Independent Director	Sitting Fees	-	-	0.20	-
iii)	Pramod Kasat	Independent Director	Sitting Fees	0.50	-	0.40	-
iv)	Rajender Sunki Reddy	Independent Director	Sitting Fees	0.30	-	0.40	-
v)	Amit Chander	Independent Director	Sitting Fees	0.30	-	0.40	-
vi)	Sirisha Chintapalli	Independent Woman Director	Sitting Fees	0.50	-	0.40	-
vii)	Piyush Goenka	Independent Director	Sitting Fees	0.50	-	0.20	-
C Relative							
i)	Deepak Kumar Inani	Relative to Director	Salary and perquisites	59.21	3.19	36.88	2.43
ii)	Keshav Bhutada	Relative to Managing Director	Salary and perquisites	18.45	1.06	16.48	0.96
iii)	Madhav Bhutada	Relative to Managing Director	Salary and perquisites	18.45	1.06	16.48	0.96

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses Other Transaction	Balance as at 31 March 2021 (Receivable) / (Payable)	01 April 2019 to 31 March 2020 (Income) / Expenses Other Transaction	Balance as at 31 March 2020 (Receivable) / (Payable)
iv)	Keshav Bhutada	Relative to Managing Director	Rent	4.63	1.11	4.41	1.03
v)	Madhav Bhutada	Relative to Managing Director	Rent	4.63	1.11	4.41	1.03
vi)	Triveni Inani	Relative to Director	Rent	3.28	0.79	3.12	1.17
D Others							
i)	Reva Pharmachem Pvt. Ltd.	Associates	Support services	-	-	(3.00)	-
			Interest Income (Loan)	-	-	(4.74)	-
			Trade Receivable	-	-	-	(0.87)
ii)	Reva Medicare Pvt. Ltd.	Joint Venture	Commission	425.36	-	405.85	-
			Sales of Goods or Service	(30.45)	-	(1.00)	-
			Trade Payable	-	119.68	-	288.21
			Commission Accrued but not paid	-	88.51	-	-
			Trade Receivable	-	(0.41)	-	(0.29)
iii)	Maia Pharmaceuticals INC. USA	Associates	Trade Receivable	-	(177.34)	-	(181.88)
iv)	Sravathi Advance Process Technologies Pvt. Ltd.		Interest Income (Loan)	-	(2.21)	-	(166.89)
			Purchases of Goods or Service	-	-	-	(166.89)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April 2020 to 31 March 2021 (Income) / Expenses Other Transaction	Balance as at 31 March 2021 Payable / (Receivable)	01 April 2019 to 31 March 2020 (Income) / Expenses Other Transaction	Balance as at 31 March 2020 Payable / (Receivable)
v)	Shilpa Foundation	Trust in which key management are the board of trustees	Corporate Social Responsibility Expenses	346.61	-	326.33	-
			Expenses incurred on behalf of the related party	-	-	(0.60)	-
			Other Payable	-	337.19	-	-
vi)	Mohini Infra (P) Ltd	Company in which key management are the board of director	Godown Rent	14.96	-	8.22	-
			Trade Payable	-	1.17	-	0.70
vii)	Auxilla Pharmaceuticals and Research LLP	Investment Entity	Sales of Goods or Service	(0.04)	-	-	-
			Purchases of Goods or Service	85.00	-	-	-

- a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

*payable includes commission provision (net)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- 42** A sum of ₹ 1355.27 lakhs is payable to Micro, Small and Medium Enterprises as at 31st March, 2021 (₹ 1078.38 lakhs as at 31st March, 2020). There are no Micro, Small and Medium Enterprises, to whom the Company overdues, which are outstanding for more than 45 days during the year and also as at 31st March, 2021. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act has been determined to the extent such parties has been identified on the basis of information available with the Company and relied upon by the Auditors.
- 43** Out of the sum of ₹ 41.78 lakhs (P.Y. ₹ 41.78 lakhs) the Company has filed appeal before the Karnataka Appellate Tribunal for refund of input tax paid on Capital Goods amounting to ₹ 26.48 lakhs (P.Y. ₹ 26.48 lakhs) and ₹ 2.43 lakhs paid on regular consumable items which in its opinion are allowable under the Act, however disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003. The same is shown under note 7 b) (ii)

44 Disposal Group held for sale

On 31 March, 2021, the board of directors of the company approved to sell the 100% stake in Loba feinchemie GMBH held by the group for a consideration of EUR 3.3 million (approximately ₹ 28 crores) to ZR Pharma GMBH. The associated assets and liabilities were consequently presented as disposal group held for sale in the financial statements for the year ended 31 March, 2021.

Assets and Liabilities of disposal group classified as held for sale

Particulars	As at 31 March, 2021
Assets included in disposal group classified as held for sale	
Property Plant and Equipment	3,489.91
Capital work-in-progress	18.53
Goodwill	399.52
Other Intangible Assets	121.79
Inventories	1,634.91
Trade Receivables	1,604.31
Cash & Cash Equivalents	49.44
Other Assets	1,059.89
Total Assets of disposal group held for sale	8,378.30
Liabilities directly associated with disposal group classified as held for sale	
Borrowings	1,604.12
Trade Payables	928.44
Other Liabilities	3,488.43
Total Liabilities of disposal group held for sale	6,020.99

45 Business combination for acquisition of FTF Pharma Pvt. Ltd.

On 02 November, 2020, the Company has acquired 100% of equity shares (i.e. 307,697 equity shares of ₹ 10 each) and 3,900,012 convertible preference shares of ₹ 10 each of FTF Pharma Private Limited against consideration of ₹ 70 Crores.

The valuation was performed by the Company with support from external advisors to consider the purchase price. The accounting treatment was considered in accordance with Ind AS 103 and lead to the recognition of Goodwill of ₹ 10.90 Crores.

FTF Pharma has started operation in 2013 and completed successful 8 years of operation with global footprint. FTF has created a brand image in the industry as an experienced, capable and profitable company having vast experience and expertise in drug formulation development. It attracted competent and experienced technical manpower from large pharmaceutical companies to cater to its growth.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- 46** The Company has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.
- 47** Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation
- 48** Figures of the previous year have been regrouped/rearranged wherever necessary.

As per our report of even date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

K. Shravan
Partner
M.No. 215798

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 31 May, 2021

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2021

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF COMPANY CONSOLIDATED AS SUBSIDIARY

Sl. No.	Name of the Company	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss Account		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
A	Parent - Indian								
	Shilpa Medicare Limited	111.61	163,783.18	124.77	18,439.18	6.61	1.79	124.56	18,440.97
B	(a) Subsidiaries - Indian								
1	Shilpa Therapeutics Private Limited	(1.04)	(1,525.01)	(5.32)	(786.25)	32.47	8.79	(5.25)	(777.46)
2	INM Technology Private Limited	(2.70)	(3,959.09)	(3.75)	(554.80)	60.84	16.47	(3.64)	(538.33)
3	Shilpa Biologicals Private Limited	(0.09)	(126.81)	(4.26)	(629.05)	30.22	8.18	(4.19)	(620.87)
4	Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	0.50	730.16	0.08	12.09	-	-	0.08	12.09
5	Shilpa Corporate Holdings Pvt. Ltd.	0.53	770.86	(0.07)	(10.42)	-	-	(0.07)	(10.42)
6	FTF Pharma Pvt. Ltd.	1.38	2,027.76	0.30	44.07	(30.14)	(8.16)	0.24	35.91
	(b) Subsidiaries - Foreign								
1	Makindus Inc.	(0.25)	(369.81)	-	-	-	-	-	-
2	Koanaa Healthcare Limited (UK)	(0.20)	(299.46)	(0.49)	(72.79)	-	-	(0.49)	(72.79)
3	Koanaa Healthcare GmbH (Austria)	(1.99)	(2,925.39)	(2.63)	(388.06)	-	-	(2.62)	(388.06)
4	Zatortia Holding Limited	1.94	2,842.07	(0.09)	(12.60)	-	-	(0.09)	(12.60)
5	Loba Feinchemie GmbH	1.33	1,957.79	(0.69)	(101.73)	-	-	(0.69)	(101.73)
6	Shilpa Pharma Inc.	(0.63)	(924.59)	(1.80)	(266.38)	-	-	(1.80)	(266.38)
7	Koanaa Healthcare Canada Inc.	(0.28)	(416.28)	(2.72)	(402.32)	-	-	(2.72)	(402.32)
8	INDO BIOTECH SDN. BHD	(0.01)	(12.23)	(0.11)	(16.84)	-	-	(0.11)	(16.84)
9	Koanaa International FZ LLC	(0.03)	(40.29)	(0.29)	(42.18)	-	-	(0.28)	(42.18)
	C Non Controlling Interests in all Subsidiaries								
	D (a) Associates (Investment as per equity method) - Indian								
1	Reva Pharmachem Private Limited	0.00	1.62	0.02	2.93	-	-	0.02	2.93
2	Auxilla Pharmaceuticals and Research LLP (Investment Entity)	0.67	980.38	(0.71)	(105.17)	-	-	(0.71)	(105.17)
	(b) Associates (Investment as per equity method) - Foreign								
1	MAIA Pharmaceuticals Inc.	(4.84)	(7,100.47)	(12.98)	(1,918.91)	-	-	(12.96)	(1,918.91)
	(c) Joint Ventures (Investment as per equity method) - Indian								
1	Reva Medicare Private Limited	0.37	539.25	1.14	168.88	-	-	1.14	168.88
2	Sravathi Advance Process Technologies Private Limited	(0.30)	(439.65)	(2.54)	(375.80)	0.41	0.11	(2.54)	(375.69)

Notice

Notice is hereby given that the 34th Annual General Meeting ("AGM") of the members of **Shilpa Medicare Limited** will be held on 28th September, 2021 at 11:30 A.M. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021, TOGETHER WITH THE REPORT OF BOARD OF DIRECTORS AND AUDITORS THEREON.**
2. **TO DECLARE DIVIDEND OF ₹ 1.10 PER EQUITY SHARES FOR THE FINANCIAL YEAR 2020-21**
3. **TO APPOINT A DIRECTOR IN PLACE OF MR. NARESH PATWARI (DIN: 03319397), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE- APPOINTMENT.**

SPECIAL BUSINESS:

4. **RATIFICATION OF REMUNERATION OF COST AUDITORS:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 150000/- (Rupees One Lakhs Fifty Thousand Only) (Excluding taxes, as applicable), in addition to reimbursement of all out of pocket expenses at actuals, if any, payable to M/s.V.J. Talati & Co, Cost Accountants (Regd. No. M/2203), to audit the cost records maintained by the Company for the financial year ending 31st March, 2022 be and is hereby approved and ratified.

RESOLVED FURTHER THAT Mr. Vishnukant Chaturbhuji Bhutada, Managing Director of the Company (DIN: 01243391) be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution."

5. **APPOINTMENT OF MS. SIRISHA CHINTAPALLI (DIN: 08407008) AS AN INDEPENDENT WOMEN DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV, Section 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Sirisha Chintapalli (DIN: 08407008) whose first term is completing at this Annual general meeting and whose appointment for the second term as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company for a period of one year from conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2022, upon such terms and conditions as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary to give effect to the said resolution and to do all the needful in relation thereto."

6. **APPOINTMENT OF MR. ARVIND VASUDEVA (DIN:00669039) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV, Section 197 other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arvind Vasudeva (DIN: 00669039) who has been appointed as an Additional Director in the capacity of Independent

Director of the Company effective 02 September, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company for a period of Three years with effect from conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2024, and whose period is not subject to retirement by rotation, upon such terms and conditions as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary to give effect to the said resolution and to do all the needful in relation thereto."

7. APPOINTMENT OF MR. HETAL MADHUKANT GANDHI (DIN: 00106895) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV, Section 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being

in force), Mr. Hetal Madhukant Gandhi (DIN: 00106895) who has been appointed as an Additional Director in the capacity of Independent Director of the Company effective 02 September , 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company for a period of three years with effect from conclusion of this Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2024, whose period is not subject to retirement by rotation, upon such terms and conditions as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary to give effect the said resolution and to do all the needful in relation thereto."

By order of the Board of Directors
For Shilpa Medicare Limited

Omprakash Inani
Chairman

Date: 02nd September, 2021
Place: Raichur

NOTES:

The explanatory statement setting out all the material facts in respect of the special business as set out in the Notice, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
2. Pursuant to the above referred circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. **e-AGM:** Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
4. The facility of participation at the AGM through VC/OAVM will be made available for 2000 members on first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction of first come first served basis.
5. The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and aforementioned Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin Technologies Private Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by KFin Technologies Private Limited.
7. In line with Ministry of Corporate Affairs circular No. 17/2020 dated April 13, 2020, the Notice of the 34th AGM and the Annual Report for FY 2020-21 will be available on the Company's website www.vbshilpa.com for download. The notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of KFin Technologies Private Limited.
8. Shareholders who would like to express their views/ask questions during the meeting should register themselves as a speaker by sending a request mentioning their name, demat account number/folio number, email id, mobile number at cs@vbshilpa.com from 21st September, 2021 to 24th September, 2021
9. Shareholders who have queries may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@vbshilpa.com 21st September, 2021 to 24th September, 2021
10. Those shareholders who have registered themselves as a speaker and confirmed by Company will only be allowed to express their views / ask questions during the meeting.
11. An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of items 4 to 7 of the Notice is attached. The statement of the particulars of Directors seeking Appointment / Re-appointment as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is enclosed as Annexure A & B.
12. Corporate Members intending to authorize their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
13. Members desirous of seeking any information on the accounts or operations of the company are requested to write to the Company at cs@vbshilpa.com from 21st September, 2021 to 24th September, 2021, so that the required information can be made available at the Meeting.

14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar & Share Transfer Agent, M/s KFin Technologies Private Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.
16. Members holding shares under multiple folios are requested to consolidate their holdings, if the shares are held in the same name or in the same order of names.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by giving a prior notice to the Company. Members can inspect the same by sending an email to cs@vbsilpa.com.
18. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to einward.ris@karvy.com. Please submit duly filled and signed member updation form to the abovementioned email. Upon verification of the Form the email will be registered with the Company till the date of AGM.
19. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with their respective Depository Participants. Members who hold shares in physical form are requested to fill and send the required details to the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited at Karvy Selenium, Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana.
20. In terms of Sections 124 of the Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
21. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e-voting may write to the registrar or the company quoting their client id/folio no and DP id so as to send the password for e voting.
22. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
23. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)
 - i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share

certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

- ii. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to visit the website of the Company www.vbshilpa.com and click on 'Click here for temporary registration of email id of https://ris.kfintech.com/email_registration/ for 34th AGM' and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions.

In case of any queries, shareholder may write to inward.ris@kfintech.com.

- iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/ update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

24. Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015, shareholders are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by KFin Technologies Private Limited, in respect of all resolutions set forth in this Notice.

Mr. Ajay Vemuri, Partner of VCAN & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the Remote e-voting process in a fair and transparent manner

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e., Tuesday, 21st day of September, 2021 only shall be entitled to avail the facility of remote e-voting.

The remote e-voting period commences on Friday, 24th September, 2021 at 9.00 A.M. and ends on Monday, 27th September, 2021 at 5.00 P.M. The remote e-voting module shall be disabled for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

Members, who are present in meeting through video conferencing facility and have not casted their vote on resolution through remote e-voting, shall be allowed to

vote through e-voting system during the meeting.

25. Instructions for members for remote e-Voting:

- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- The remote e-Voting period commences Friday, 24th September, 2021 at 9.00 A.M. and ends on Monday, 27th September, 2021 at 5.00 P.M
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company

after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to K Fintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

- l) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDEAS facility:</p> <ul style="list-style-type: none"> o Visit URL: https://eservices.nsd.com o Click on the “Beneficial Owner” icon under “Login” under ‘IDEAS’ section. o On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” o Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDEAS e-Services</p> <ul style="list-style-type: none"> • To register click on link : https://eservices.nsd.com • Select “Register Online for IDEAS” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp • Proceed with completing the required fields. • Follow steps given in points 1

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ul style="list-style-type: none"> • Open URL: https://www.evoting.nsd.com/ • Click on the icon “Login” which is available under ‘Shareholder/ Member’ section. • A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. • Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. • On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. <p>1. Existing user who have opted for Easi / Easiest</p> <ul style="list-style-type: none"> o Visit URL: https://web.cdslindia.com/myeasi/home/login or o URL: www.cdslindia.com o Click on New System Myeasi o Login with your registered user id and password. o The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. o Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ul style="list-style-type: none"> o Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration o Proceed with completing the required fields. o Follow the steps given in point 1

Type of shareholders	Login Method
	<p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ul style="list-style-type: none"> • Visit URL: www.cdslindia.com • Provide your demat Account Number and PAN No. • System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. • After successful authentication, user will be provided links for the respective ESP, i.e Kfintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. • Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. • Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

- II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.
- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the "EVENT" i.e., '34th AGM of Shilpa Medicare Limited" and click on "Submit"
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the

- total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and click on "Submit".
 - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id ajay@vcancs.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- Details on Step 3 are mentioned below:**
- Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.
- Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
 - Facility for joining AGM though VC/ OAVM shall open at least 20 Minutes before the commencement of the Meeting.
 - Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
 - Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective

network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at cs@vbsnilpa.com Questions /queries received by the Company from 21st September to 24th September, 2021 shall only be considered and responded during the AGM
- The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

Other Instructions:

- a. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 21st September, 2021 to 24th September, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
 - b. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 21st September, 2021 to 24th September, 2021.
- c. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Ms. Krishna Priya, at evoting@kfintech.com or call Kfintech's toll free No. 1-800-3454-001 for any further clarifications.
 - d. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, 21st September, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
 - e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - f. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - g. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - h. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .
 - i. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results

along with the Scrutinizer's Report, shall also be placed on the website of the Company.

26. Since the AGM is being held through VC/ OAVM, the route map of the AGM venue is not annexed hereto.
27. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the Cutoff date is fixed as Tuesday, 21 September 2021 and the Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 21st September, 2021 to Monday, 27th September, 2021 (both days inclusive) for determining entitlement of members to final dividend for the financial year ended 31 March 2021, if approved at the AGM and for the purpose of this AGM
28. Pursuant to the amendments introduced by the Finance Act, 2020, dividend, if any, declared by the Company on or after 01st April, 2020 shall be subject to deduction of tax at source at the prescribed rates. Such dividend income is taxable in the hands of the shareholders who are in receipt of dividend exceeding ₹ 5,000/- in a fiscal year. No tax will be deducted on payment of dividend to resident individual shareholders if the total dividend received by them during a year does not exceed ₹ 5,000/-.
- 29. Retirement of Director(s) by rotation:**
Mr. Naresh Patwari, Nominee Director, retires at the AGM, and being eligible, offers himself for re-appointment.
The Board of Directors commends the reappointment of Mr. Naresh Patwari, as a Director, liable to retire by rotation.
30. Additional information pursuant to Regulations 26(4) and 36(3) of the Listing Regulations, 2015 and the Secretarial Standards on General Meetings in respect of director(s) seeking appointment/ re-appointment at the AGM is furnished in the Annexure A & B enclosed hereto and forms part of this Notice. The Directors have provided their consent/ declaration for their appointment/ re-appointment.
31. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, mandates, nominations, power of attorney and bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar, KTPL, in case the shares are held by them in physical form for receiving all future communications from the Company including Annual Reports, Notices, Circulars and other correspondences.
32. Pursuant to the directions/notifications of the SEBI and Depositories, demat account holders can operate their accounts only if they have already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. Demat account holders who have not yet furnished Income Tax Permanent Account Number to their Depository Participant ("DP") are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification) so that their frozen demat accounts would be made available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.
33. In accordance with Rule 5 of the Investor Education and Protection Fund Authority (Accounts, Audit, transfer and Refund) Rules, 2016 ("the IEPF Rules"), the dividend which remained unpaid or unclaimed for seven consecutive years or more upto and including the financial year 2012-13 have been transferred by the Company to the Investor Education and Protection Fund ("IEPF"). Consequently, pursuant to Rule 6 of the relevant Rules, all the shares in respect of such dividend have also been transferred by the Company to the IEPF and the statement containing details of such shares transferred is placed on Company's website at <https://vbshilpa.com>
34. Pursuant to the provisions of Section 124(5) and (6) of the Act read with the IEPF Rules, the unclaimed equity dividend for the financial year ended 31st March, 2013 together with the shares in respect of which such dividend remains unclaimed will be transferred to the Investor Education and Protection Fund ("IEPF") on or after 30th September, 2021 upon expiry of 7 years from the date of transfer of the dividend to the Unpaid Dividend Account of the Company. Members who have a valid claim to any such unclaimed dividend amount may claim the same from the Company or its RTA immediately.
35. Members seeking any information or clarification on the accounts and operations of the Company are requested to send their queries to the Company at cs@vbshilpa.com seven days in advance of the meeting so that reply can be made available at the meeting.
36. Brief Profile of Directors seeking appointment and re-appointment at the 34th Annual General Meeting (pursuant to Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015) and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India is attached to this Notice as Annexure.

EXPLANATORY STATEMENT IN ACCORDANCE WITH SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item 4:

The Board, on the recommendations of the Audit Committee, has approved the appointment of M/s. V.J. Talati & Co, Cost Accountants (Regd. No. M/2203), to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2021 at a remuneration of ₹ 150000/- (Rupees One Lakhs Fifty Thousand Only).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the cost auditors for the financial year ending 31st March, 2022.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the said Ordinary Resolution set out at Item No. 4 for the approval of the members.

ITEM 5:

Ms. Sirisha Chintapalli was appointed as an Independent Women Director of the Company at 32nd Annual General Meeting for a term of 2 (Two Years). The tenure of Director is going to end at the ensuing Annual General Meeting.

Considering Ms. Sirisha Chintapalli's skills, competencies, expertise and experience, the Board of Directors are of the opinion that it would be in the interest of the Company to re-appoint her for another term as an Independent Director.

In line with the Company's remuneration policy for Independent Directors, Ms. Sirisha Chintapalli will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together. Details of remuneration paid to Independent Directors, if any shall be disclosed as part of the Annual Report.

In line with the Companies remuneration policy, Ms. Sirisha Chintapalli shall be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time

to time and reimbursement of expenses for participation in the Board meetings, which shall be disclosed as part of the Annual Report.

Except Ms. Sirisha Chintapalli, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Ms. Sirisha Chintapalli, has given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

A brief profile of Independent Director to be re-appointed, including nature of their expertise and other disclosure as required under Regulation 36 of SEBI (LODR) Regulations, 2015, is provided in the Annexure A & B of this Notice.

The Board of Directors recommends the resolution proposing the re-appointment of Ms. Sirisha Chintapalli as set out in Item No. 5 for approval of the Members by way of Special Resolution.

ITEM 6:

On 02 September 2021, the Board of Directors appointed Mr. Arvind Vasudeva as an Additional Director of the Company in the capacity of Independent Director. His tenure as an Independent Director shall be for a term of 3 years with effect from conclusion of ensuing Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2024, subject to approval of the Members of the Company.

Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Arvind Vasudeva as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mr. Arvind Vasudeva confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Vasudeva's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Arvind Vasudeva fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mr. Arvind Vasudeva will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement

of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together. Details of remuneration paid to Independent Directors, if any shall be disclosed as part of the Annual Report.

Considering Mr. Arvind Vasudeva expertise and experience of 38 years in the Pharmaceutical Industry in leading Indian Global and Multinational Companies in various positions including MD/CEO/COO and as a reputed and internationally experienced coach & leader, the Board of Directors are of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of three years with effect from conclusion of ensuing Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2024.

Additional information in respect of Mr. Arvind Vasudeva, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice. A brief profile of Mr. Arvind Vasudeva is also provided at Annexure B to this Notice.

Except Mr. Arvind Vasudeva, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board of Directors recommends the resolution proposing the appointment of Mr. Arvind Vasudeva as an Independent Director of the Company, as set out in Item No. 6 for approval of the Members by way of Special Resolution

ITEM 7:

On 02 September 2021, the Board of Directors appointed Mr. Hetal Madhukant Gandhi as an Additional Director of the Company in the capacity of Independent Director. His tenure as an Independent Director shall be for a term of 3 years with effect from conclusion of ensuing Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2024, subject to approval of the Members of the Company.

Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Hetal Madhukant Gandhi as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mr. Hetal Madhukant Gandhi confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Hetal Madhukant Gandhi's consent to act as a Director in terms of section 152

of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Hetal Madhukant Gandhi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mr. Hetal Madhukant Gandhi will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Considering Mr. Hetal Madhukant Gandhi expertise and experience of 35 years in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations, the Board of Directors are of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of three years with effect from conclusion of this Annual General Meeting till the Conclusion of Annual General Meeting held in the year 2024.

Additional information in respect of Mr. Hetal Madhukant Gandhi, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice. A brief profile of Mr. Hetal Madhukant Gandhi is also provided at Annexure B to this Notice.

Except Mr. Hetal Madhukant Gandhi, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board of Directors recommends the resolution proposing the appointment of Mr. Hetal Madhukant Gandhi as an Independent Director of the Company, as set out in Item No. 7 for approval of the Members by way of Special Resolution

By order of the Board of Directors
For Shilpa Medicare Limited

Date: 02nd September, 2021
Place: Raichur

Omprakash Inani
Chairman

ANNEXURE - A

Details of directors seeking appointment/ re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 (Secretarial Standards on General Meetings):

Particulars	Details		
Name of the Director	Mr. Naresh Patwari	Ms. Sirisha Chintapalli	Mr. Arvind Vasudeva
Brief Resume:	Set out in Annexure B	Set out in Annexure B	Set out in Annexure B
Age	43 Years	41 Years	56 Years
Relationship with directors	Not related to any Director inter-se	Not related to any Director inter-se	Not related to any Director inter-se
Date of initial appointment	26th December, 2016	01st April, 2019	02nd September, 2021
Qualification	B.Tech, (Indian Institute of Technology, Kharagpur), Master of Business Administration (Tuck School of Business at Dartmouth College, United States)	Cost Accountant Company Secretary Semi-Qualified Chartered Accountant	M-Pharmacy. PG Diploma in Sales and Marketing. Certified CEO coach.
Experience and expertise in specific functional area	Having a professional experience in advising on investments in India and other emerging markets. He has deep domain experience in healthcare and pharma, consumer facing industries and media	Having more than 10 years of good exposure and experience in the fields of legal, financial, secretarial regulatory compliance matters particularly in relation to the Companies Act, laws applicable to the Capital Markets and other statutes. She has successfully handled and completed various issues/ assignments/ mergers and got well versed with various statutes involved in the day to day operations of the Company.	Arvind Vasudeva brings over 38 years of professional work experience of which 18 years he was a Business Head, a COO and a CEO. He brings a strong business acumen and strategic thinking from his experience as a MD/CEO/COO of companies. His experience has been primarily in the Pharmaceutical Industry in leading Indian Global and Multinational Companies. In these roles handled areas like Marketing, Sales, HR, Finance, Manufacturing/ Projects/R&D/CQA/GRA/GPV (FDF, API, Biotech, Milk Products), In-Licensing, Portfolio cum Project Management and Supply Chain Management
Terms and conditions of appointment or re-appointment	As set forth in the resolution	As set forth in the resolution	As set forth in the resolution

Particulars	Details	Mr. Arvind Vasudeva	Mr. Hetal Madhukant Gandhi
Name of the Director	Mr. Naresh Patwari	Ms. Sirisha Chintapalli	Mr. Arvind Vasudeva
Remuneration sought to be paid and the remuneration last drawn	Mr. Naresh Patwari is appointed as Non-executive nominee Director of the Company, representing TA Associates Advisory. Mr. Naresh Patwari voluntarily abstained from receiving any remuneration from the Company	In line with the Company's remuneration policy for Independent Directors, Ms. Sirisha Chintapalli will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together.	In line with the Company's remuneration policy for Independent Directors, Mr. Hetal Gandhi will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together.
Directorship on the Boards of other companies	<ol style="list-style-type: none"> 1. TCNS Clothing Co. Limited 2. Omniactive Health Technologies Limited 3. Indira IVF Hospital Private Limited 	<ol style="list-style-type: none"> 1. Zen Technologies Limited 2. Shilpa Biologicals Private Limited 3. Brahmani Infratech Private Limited 4. Bloom & Blossom Projects Private Limited 5. Sai Silks (Kalamandir) Limited 	<ol style="list-style-type: none"> 1. Chalet Hotels Limited 2. Ami Organics Limited 3. Tano India Advisors Private Limited 4. Tia Advisors Lip

Particulars	Details	Mr. Naresh Patwari	Ms. Sirisha Chintapalli	Mr. Arvind Vasudeva	Mr. Hetal Madhukant Gandhi
Name of the Director		Mr. Naresh Patwari	Ms. Sirisha Chintapalli	Mr. Arvind Vasudeva	Mr. Hetal Madhukant Gandhi
Chairmanship on the Committees of Boards of other companies.	-	-	-	-	Chalet Hotels Limited-CSR Committee-Chairman Ami Organics Limited – Chairman
Membership on the Committees of Boards of other companies	Audit Committee and Nomination and Remuneration Committee Member of TCNS Clothing Co. Limited.	Audit Committee and Nomination and Remuneration Committee Member of Brahmani Infotech Private Limited.	Audit Committee and Nomination and Remuneration Committee Member of Sai Silks (Kalamandir) Limited.	Audit Committee and Nomination and Remuneration Committee Member of Sai Silks (Kalamandir) Limited.	Chalet Hotels Limited- Audit Committee Ami Organics Limited- Audit Committee Member.
No. of meetings of the Board attended during the year	6	10	-	-	-
Number of shares held in the Company as on 31st March, 2021	Nil	Nil	Nil	Nil	8000 (as on the day of appointment)

By order of the Board of Directors
For Shilpa Medicare Limited

Omprakash Inani
Chairman

Place: Raichur

Date: 02nd September, 2021

ANNEXURE – B

BRIEF PROFILE OF MR NARESH PATWARI

Mr. Patwari, is a Bachelor's Degree in Technology in Mechanical Engineering from the IIT Kharagpur and a Master's Degree in Business Administration from the Tuck School of Business at Dartmouth College, United States. He is currently employed with TA Associates Advisory as a Director. He was previously employed with Schlumberger, McKinsey & Company and ICICI Venture.

Mr. Naresh patwari has a professional experience in advising on investments in India and other emerging markets. He has deep domain experience in healthcare and pharma, consumer facing industries and media

BRIEF PROFILE OF MS. SIRISHA CHINTAPALLI

Ms. Sirisha Chintapalli is an Associate Member of the Institute of Company Secretaries of India and also an Associate Member of the Institute of Cost Accountants of India and a Semi Qualified CA from The Institute of Chartered Accountants of India. She is a member in the Managing Committee of Hyderabad Chapter of the Institute of Cost Accountants of India from 2019. She is also a registered Insolvency Professional from IBBI.

Job Profile:

As a Company Secretary: She had been associated with L&T Shipbuilding Ltd, Chennai - Renowned Shipbuilding Company – engaged in construction of Defence Vehicles, Interceptor Boats, Offshore Patrol Vessels, Floating Dock; International Seaport Dredging Limited, Chennai, a joint venture dredging between Larsen & Toubro Ltd and Dredging International – DEME Group, Belgium. CCL Products (India) Ltd, Hyderabad - Instant Coffee Manufacturing Company.

Having more than 10 years of good exposure and experience in the fields of legal, financial, secretarial regulatory compliance matters particularly in relation to the Companies Act, laws applicable to the Capital Markets and other statutes. She has successfully handled and completed various issues/ assignments/ mergers and got well versed with various statutes involved in the day to day operations of the Company.

BRIEF PROFILE OF MR. ARVIND VASUDEVA

Arvind Vasudeva brings over 38 years of professional work experience of which 18 years he was a Business Head, a COO and a CEO. He brings a strong business acumen and strategic thinking from his experience as a MD/CEO/COO of companies. His experience has been primarily in the Pharmaceutical Industry in leading Indian Global and Multinational Companies. In these roles handled areas like Marketing, Sales, HR, Finance, Manufacturing//Projects/R&D/CQA/GRA/GPV (FDF, API,

Biotech, Milk Products), In-Licensing, Portfolio cum Project Management and Supply Chain Management.

Arvind's early career started as Executive Management Trainee in Product Management. Later he joined Astra Zeneca as Product Manager and was promoted to Sr. Product Manager, Group Product Manager and finally as Marketing Planning Manager in a matter of 6 years. He joined Dr. Reddy's as GM-Marketing (1995) and then rotated role to GM-Sales before becoming GM Domestic Formulations (1997) and VP Domestic Formulations (1999-2003). He joined Wockhardt (2003) as President Domestic Formulations and later moved to the role of President Japan and ROW (2005). In 2006, he joined RPG Life Sciences as MD where he turned around the company from loss making to highly profitable business, which included Business and Balance Sheet Restructuring. This was a Global Operations with coverage of markets like India, EM, Canada, WEU, EEU and developmental work for US and included product categories of FDF, API and Fermentation. In 2010, he joined Glenmark as Global COO Branded Formulations focusing on operational effectiveness and expansion to continue high growth while building Systems and Processes to manage future growth.

Arvind got certified as a CEO/Executive Coach in 2008 from Coaching Foundation of India (CFI). In 2012 he took sabbatical to practice CEO/Executive coaching before joining Aurobindo Pharma as CEO Formulations (Nov 2012). Arvind has managed a company acquisition and merger along with three series of Brand/Therapy acquisition. Starting in late 2013 and concluding in early 2014, he has handled the acquisition of Actavis's WEU business of 7 countries with a sales value of more than Euro 320 million and EU employee base of 500. He completed people and distribution integration with Aurobindo's Business and started the work on manufacturing synergies.

Arvind is currently a Promoter Director with Sanmed Healthcare Pvt. Limited a Hospital Business focused company currently marketing Antiseptics and Disinfectants. This is his first foray into B2B Business. He is Founder Trustee of Infection Control Academy of India (ICFAI) a not for profit organization dedicated to skill and Knowledge building in Infection Prevention and Control (IPC). He worked as Management Consultant to MSN Labs for the Formulations Business between Sept 2015 and March 2019.

He has handled and signed a dozen In-licensing deals with EU, US, Japanese and Chinese companies. He has built half dozen market-leading brands in the companies he worked both from launch stage as well as from trailing stage. He has worked across most Geography, across most Product Categories and

across most Therapies. He is widely travelled for business, International Symposiums and Workshops. He is and active participant in various Forums of Pharma Industry as well as Management Institutes. He was awarded “ Udyog Ratna Award” by Institute of Economic Studies”.

Academic Credentials:

- M. Pharm (Pharmaceutical Technology)
- PG Diploma in Sales and Marketing.
- Certified CEO Coach.
- Short Courses from IIM's and ISB.

BRIEF PROFILE OF MR.HETAL MADHUKANT GANDHI

Mr. Hetal Madhukant Gandhi has over 35 years of experience in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations. Hetal co-founded the India Advisory firm for Tano Capital. Tano is a mid-market Private Equity Fund manager that has, over the last 15 years, facilitated investments in high growth companies in their early stages. Hetal has been on the Board of companies, both listed and private, actively contributing to their strategy, organization, building and execution, and helped them scale up significantly.

Prior to co-founding Tano India Advisors Pvt. Ltd, Hetal was the CEO for a large financial services Institution.

Hetal is a certified member of the Institute of Chartered Accountants of India.



Innovating for
affordable healthcare

Shilpa Medicare Limited

CIN: L85110KA1987PLC008739

"Shilpa House"

#12-6-214/A-1, Hyderabad Road,

Raichur – 584 135, Karnataka, India.

Telephone: 08532 - 238704 | Fax: 08532 - 238876

Email: info@vbshilpa.com

www.vbshilpa.com